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U.S./USSR STRATEGIC AND ECONOMIC ISSUES SRI/SSC - IMEMO AND IUSAC JOINT SYMPOSIA

- Moscow, September 1974
- Preliminary Plans - Menlo Park, June 1975

By: RICHARD B. FOSTER, et al.

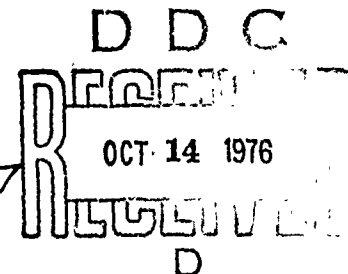
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1400 WILSON BOULEVARD
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SRI Project 2625

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This report is intended as a factual record of the Strategic Studies Center's participation in the dialogue, and no attempt is made here at a thorough analysis of the issues under consideration. A more extensive analysis of Soviet research institutes has been published, as 'The Role of Social Science Research Institutes in the Formulation and Execution of Soviet Foreign Policy,' SSC-TN-2625-17, dated March 1976.

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FOREWORD

This report, being published in September 1976, represents the final version of the review draft prepared in April 1975. While the discussions presented here were succeeded by the Third Symposium in Menlo Park, California in June 1975, this volume retains its value and is therefore presented in its entirety.

The first joint symposium of the Strategic Studies Center of Stanford Research Institute and the Institute for the World Economy and International Relations (IMEMO) and the Institute for the USA and Canada (IUSAC) of the Academy of Sciences of the USSR was held in Washington, D.C. in April 1973. Due to the satisfaction of the participants with the constructive nature of discussion at the symposium and the continuing need for a research dialogue on the strategic and economic issues in relations between the United States and the USSR, the second symposium was planned and held in Moscow on 24-27 September 1974. The dialogue was aimed at increasing understanding of key issues rather than advocacy of positions.

Publication of this report was deferred for two reasons: first, per the request of the sponsors, ARPA, OSD/ISA and the State Department, the primary substantive report on the symposium was handled via two interagency briefings by the participants on October 18, 1974; second, we had an agreement with IMEMO and IUSAC that they would provide us with tapes of the symposium. We had anticipated receiving these tapes by late December or early January and had hoped to use the tapes to verify the notes taken during the symposium. The tapes have never been received. We have, therefore, decided to proceed with the report based on a compilation of participants' notes.¹ Information cut-off date for this TN is April 1975.

¹ A more extensive analysis of Soviet research institutes has been published, as "The Role of Social Science Research Institutes in the Formulation and Execution of Soviet Foreign Policy, "SSC-TN-2625-17, dated March 1976.

The participants would like to thank the following individuals for their assistance in preparations for the symposium and their support of the effort: The Hon. Robert Ellsworth, Dr. Stephen J. Lukasik, Mr. William C. Hyland, Lt. Gen. Daniel O. Graham, MG W. Y. Smith, Mr. Alex Akalovsky, Mr. Michael Joyce, Mr. Kenneth Kerst, Mr. Gerald Sullivan and Ms. Sheila Buckley.

Richard B. Foster
Director
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I BACKGROUND AND OBJECTIVE

The first joint symposium of SRI's Strategic Studies Center and the Soviet Academy of Sciences Institute for the World Economy and International Relations (IMEMO) and Institute for the Study of the USA (IUSA) grew out of discussions between Richard B. Foster, Director of the SSC, and members of the Soviet research institutes during his spring 1972 visit to the Soviet Union as a guest of Academician N. N. Inozemtsev, Director of IMEMO. The symposium was scheduled for April 1973, in recognition of the desire on both sides to establish a research dialogue in order to systematize exchanges which had formerly been limited to valuable, but sporadic, personal contacts between scholars.

After evaluating the exchange during the first symposium in light of the stated objective, to improve mutual understanding of factors influencing the formulation of policy and the problems and prospects of U.S./USSR relations, it was agreed that a second joint symposium would be held in Moscow in September 1974. As in the first symposium, U.S. participants included specialists from private research organizations and a number of universities. In addition several observers from U.S. government departments and the U.S. Embassy in Moscow were in attendance. Soviet participants were drawn from the staff of the two institutes and Soviet government observers were also to be present. Lists of the participants appear in Appendices A and B of this paper.

The symposium addressed the economic- and political/military- strategic issues facing the United States and USSR in detente and prospective areas for possible joint and parallel research. A summary of the discussions is presented in Section III and problem statements on joint and parallel research projects in Appendices D and E of this technical note.

Following the conclusion of the formal symposium, the U.S. participants who were able to extend their stay in the Soviet Union traveled to Estonia to become acquainted with the operations of the Academy of Sciences of that republic. Institutions visited included educational and research facilities. The itinerary and symposium schedule are included in Appendix C. On returning to Moscow, the delegation had further discussions on research items arising from the symposium and extended a formal invitation to the Soviet institutes to participate in a third joint symposium in the summer of 1975 at SRI's main facilities in Menlo Park, California. Agreements regarding the continuation of the dialogue are the subject of Section III of this paper.

II GROUND RULES FOR THE DIALOGUE--SECOND SYMPOSIUM

The ground rules for the dialogue were those adopted for the first joint symposium as a result of R. B. Foster's discussions with representatives of the two Soviet research institutes.

1. The starting point for the discussions would be the text of the "Basic Principles of Relations Between the United States of America and the Union of the Soviet Socialist Republics" signed in Moscow on 29 May 1972 by President Nixon and General Secretary Brezhnev.
2. It was assumed there would be no socioeconomic convergence of the two societies within the foreseeable future.
3. Each side would assume that the other knows its own national interests. Therefore, each side would refrain from lecturing the other on what its interests should be.
4. The period of interest covered would be the next twenty years.
5. Since the discussions would be held at a serious level on sensitive and important issues, each side would refrain from using the symposium as a forum for propaganda.
6. To encourage an atmosphere of complete freedom of exchange and candor, there would be no direct quotation of participants and the papers or discussion materials would not be published for general, widespread distribution.

III SUMMARY OF DISCUSSION AT THE SYMPOSIUM

This section summarizes the major points in the discussion at the symposium. The tapes of the discussion not yet available, the summary relies on longhand notes taken by SRI staff members. The main areas of discussion were an evaluation of the present stage of detente, military strategic doctrine, SALT and MFR, military budget limitations, regional concerns, and economic issues ranging from trade negotiations to inflation in the West. It may be noted that the economic summary seems more concise because discussion was conducted in English at the separate economics session. As a means of communicating ideas, this procedure proved superior to the cumbersome method of simultaneous translation which relies on the abilities of translators rather than speakers.

Peaceful Coexistence--Detente--Collective Security

1. Soviet and U.S. participants began with assessments of the current stage of detente:

USSR: Detente is a process of gradual relaxation and replacement of confrontation with cooperation between the United States and the USSR, not a final goal, but a process of transition from cold war to stable peace. Detente is not the convergence of the systems but is the recognition by both sides of a communality of interests: the abolition of the danger of war, especially nuclear war; the ending of the arms race; the strengthening of the U.N., etc. There are already positive results: the slowing of the arms race, the broadening of business contacts, the exchange of information, the rejection of cold war psychology and the expansion of the principle of peaceful coexistence, the

convening of the CSCE as a model for a global principle, and increasing cooperation in nonmilitary spheres. At this stage the problems to be addressed are the alternatives for the strategic balance--to continue the balance keeping in mind the multipolar process in the world or lower the strategic balance but continue the balance of security, that is, make a system of international security--and the need for a joint approach to the control of crises--in the Middle East, the consequences of the energy crisis on the world economy.

U.S.: Detente proceeds from the principle of mutually assured survival and does not consist exclusively in the prevention of nuclear war. Detente is a series of stages and we are in a limited stage. The business of this stage is in the strategic field, but a degree of stabilization has not been achieved.

2. Soviet speakers declared that we must replace the parity of forces by a system of collective security. The reply was that Soviet literature speaks of the correlation of forces shifting in favor of the socialist camp--how can this be reconciled with collective security? The Soviet rejoinder: we believe the current period is a transition to socialism but reject a military solution. We want peaceful coexistence.

3. An American analyst asked what is the alternative to balance of forces as a basis for international security? The Soviet reply was that so far we have nothing better than deterrence-intimidation and fear. We must search for something better or the world is doomed to collecting armed forces.

4. U.S. speakers noted that detente is in trouble at home because Americans feel that the USSR regards detente as a tactical device to gain advantage citing (a) Soviet claims of a shift in the correlation of forces, (b) the grain deal, (c) the growth of Soviet military and naval forces,

conventional as well as nuclear, (d) Soviet exhortation to the Arabs in October 1973 to embargo oil, withdraw holdings from Western banks, etc. In response, the Soviets called detente not a tactical device, but a long-range political line for the USSR. They maintained that the USSR's goals in detente are clearly stated in the Peace Program of the 24th Congress of the CPSU. The United States, however, they noted, has no such program.

Military Strategic Doctrine (Schlesinger Options)

1. The notion of parity of forces was called into question by a number of the Soviet analysts. The existence of "nonadequate parity" was put forth. The U.S. concept of parity as a basis for equal security was deemed nonadequate in four respects:

- a. The sum of strategic ideas and technological programs dubbed "the Schlesinger doctrine" makes more acceptable a unilateral use of nuclear weapons at levels lower than general war. How is one to determine if a strike is limited or the first wave of all-out destruction?
- b. Qualitative parameters of strategic nuclear weapons are to be upset by the United States remaining one cycle ahead.
- c. There is an attempt to achieve technical superiority in nuclear weapons.
- d. There is an attempt to achieve superiority in the deployment of nuclear weapons.

This is an attempt to involve the USSR in a new arms race.

2. U.S. speakers replied that the Schlesinger doctrine is still under debate and the matter is influenced by what is written in the USSR. This is an era of transition to a new international politics--nuclear and political equality on one hand or new technology on the other. Nuclear weapons opened up the dialectic opportunity to transform international politics. Limited use of strategic nuclear forces makes it safe for large-scale regional wars. Eliminate nuclear weapons and we are back where we started from. We have reciprocal fears; first it was surprise attack, then pre-emptive attack, and now it is fear of limited nuclear war. We need to erect models.

3. The Soviet reply was that they have no doctrine for limited counterforce strikes in nuclear war--worldwide, not limited, strategic war is the essence of Soviet doctrine. The doctrine of limited local nuclear war has two goals: (a) to intimidate the Soviet Union and here it fails, and (b) internally to create the impression that it will not lead to mutual destruction--to create the preconditions for a new arms race. Moreover, more objectives require more missiles. The program of the 80s is the problem that arouses Soviet anxiety. The new cycle will be Tridents, the B-J. mininukes. The United States and the USSR have achieved a balance of forces up to 1977. The United States has advantages in location and accuracy; accuracy compensates for megatonnage. But the tendency is clear--improvement of missile forces.

The discussion of the Schlesinger doctrine provoked a great deal of comment from the Soviet participants throughout the symposium. A number of these comments are presented here:

- "The discussion of flexible use of strategic armaments is for the purpose of gaining an advantage at [SALT] negotiations."
- "If the only purpose of detente were to prevent nuclear war, their rules of civilized warfare could be worked out."
- "The Schlesinger doctrine seeks to broaden opportunities but to avoid general war, to make nuclear war respectable at levels lower than general conflict, lower than general war."
- "At lesser levels there are opportunities. the United States seeks them. The United States wants victory and not deterrence."
- "The Schlesinger doctrine has two goals: (1) intimidation, and (2) to create the impression internally that it will not lead to mutual destruction."
- "The Schlesinger doctrine is an attempt to achieve a new result through exact technology. This could cause a spiral in the arms race which would be contrary to SALT."
- "It would stimulate a qualitative arms race since it reinforces the idea that limited use could bring some political advantage."

- "The Schlesinger doctrine is a kind of duel. It is a duel with pistols aimed only at the right hand and not at the heart. But talks at this seminar do not reach the ears of those who know where the missiles are aimed. They will not aim at the right hand. They will aim at the heart."
- "Soviet doctrine is for worldwide war, not limited strategic war."
- "Flexibility, according to Schlesinger, will decrease the danger of all-out nuclear war. But it may have just the opposite effect."
- "Soviet scientists are very worried about this new doctrine of launching a few strikes against some objectives. Why exact strikes? 5 or 10 would not weaken us. Why surgical strikes? No harm if 5 or 6 military objectives were hit."
- "If the Schlesinger doctrine will help avoid war, then does he think that the Soviet Union must accept such a doctrine and have its own selective destruction doctrine?"
- "Suppose there were a limited number of Soviet strikes. What would the U.S. reaction be?"
- "If a few bombs were dropped, would the response be rational? No escalation?"
- "It would be hard to reach a conclusion whether the strike was limited or not."
- "The primary anxiety of the USSR is that the United States is trying to secure some advantage in strategic systems in the 80s."
- "Soviet weapons, that is the true goal, the hidden goal is to have counterforce capability, to make it a first strike, to disarm the other side."
- "No matter how disguised it is, it is first strike."

SALT, MFR

1. The Soviet speakers urged that the possibility of maximum restraint in the unfolding of new systems be a prerequisite for reaching a SALT II agreement. The central task, they maintained, is to limit strategic armaments, but urged that viewpoints be exchanged on conventional weapons in Central Europe, the banning of all underground nuclear tests, the withdrawal of nuclear weapons from the Mediterranean, the broadening of the sphere of arms limitation, and the nonproliferation of nuclear weapons.

2. While the Soviet participants defined the main task of negotiations as achieving balance, U.S. participants felt that they should include greater political content at an international security level, that economic cooperation and military force negotiations are closely linked, and that the traditional Soviet policy of secrecy hampers these negotiations.

3. The Soviet opinion was that the use of exact consideration of technology is counterproductive in SALT and will not yield any results, and disagreement was expressed with the notion that the trade-off was between quantity and quality in which the United States suffered. Attempts by the United States to impose a model which will require change in principles of development only for the USSR will be rejected as unrealistic. The solution is political rather than technological.

Military Budget Limitation

1. It was maintained by Soviet participants that military budget cuts of 10 percent could be accomplished without intensive study of the content of the cut because 10 percent is not a major consideration from an economic standpoint, but would have considerable political impact.

2. In response to U.S. assertions that the USSR does not publish sufficient data on military budgets to permit a calculation of equitable limitations, Soviet speakers offered the explanation that the Soviet Union still suffers from an invasion psychology and the insecurity that U.S. monopoly of nuclear weapons produced. They said that this insistence on secrecy will diminish as trust grows. U.S. propagandists, they charged, take advantage of the secrecy to distort the truth about the USSR's activities.

Regional Concerns

Middle East

1. Soviet participants rejected the extremist Palestinian position. Rather than establishing another state in Israel, the Palestinians should be established on territory evacuated by Israel. Moderate forces would assume responsible positions and will accept Israel.

2. U.S. speakers elaborated the difficult situation Israel faces, the unacceptability of great power guarantees, and the requirement for meaningful negotiation prior to the return of territory. Soviet speakers reiterated the urgent need for a political settlement in light of accelerated arms deliveries and the threat of nuclear confrontation.

China

1. A disintegration of Soviet-American relations, Soviet participants emphasized, would make the PRC more adventurous. The United States, they felt, has a stronger influence over the thinking of the Chinese political leadership than the USSR.

2. U.S. participants expressed doubt that U.S. influence could cause the Chinese to accept a second-rate status. Soviet speakers felt that a second-rate status is the most the Chinese could hope for given the limits of their economic base.

3. The Soviets assessed current Sino-Soviet difficulties as the result of internal Chinese instability and see a rapprochement with the succession of new leadership. They minimized the role China plays in the Middle East.

Economic Issues

1. The Soviet economists were concerned that imbalance in trade with the United States is too large--due in part to lack of MFN status. Other trade partners will be angered if the USSR maintains surpluses with them in order to cover imports from the United States.

2. The U.S. concern for military use of transferred technology was described by the Soviet participants as merely a result of current conditions of relations between two nations and should be abandoned in favor of trust--that is, abandon the policy of "technological imperialism" which is a remnant of economic warfare of cold-war days.

3. U.S. participants replied to questions about the feasibility of Project Independence that 100 percent independence in energy would be too costly, but that the United States will most likely move in that direction.

4. Soviet participants wondered about the basis for U.S. fears of becoming dependent on import of energy from the USSR. They maintained that the size of the economies relative to the size of trade precludes dependency, moreover, that the USSR is already a reliable supplier of manganese, etc.

5. Concerning Shashin's statement on discontinued interest in joint development of oil reserves, the Soviet side called it a misquote, not an official policy statement, but did admit concern in the USSR about exporting nonreproducible natural resources. They said the outlook for an exportable surplus was better for natural gas than for oil.

6. The Soviet economists stated that the USSR's intention to engage in broad economic relations with the world has been made very clear and is not similar to the policy of the thirties which was necessitated by the international situation which faced the Soviet Union. Progress in science and technology necessitates interdependence and the policy now is to participate actively in the world division of labor. They declined to forecast the dimensions of the policy, however, because the plans are not yet completed.

7. On credits to the USSR, the Soviet economists commented that long-range development projects require Western credits and since high interest rates are a policy instrument to fight inflation, which is no fault of the USSR, they should not be subject to them. The U.S. economists replied with an explanation of the function of interest in the money market and added that extending credits for long-term development projects amounts to asking the United States to invest in the Soviet economy and share the risks of resource development. This was not, replied the Soviet participants, an investment, but rather a joint venture of great benefit to both partners and an object of large investment on the Soviet Union's part in a ratio of about 2 to 1.

8. A truly positive indication of the Soviet Union's commitment to economic interdependence, U.S. economists maintained, would be a closer linking of internal prices with world prices which would create automatic levers of trade. The Soviet response was that pricing in the Soviet Union is a matter of policy and, moreover, such a linking would involve the Soviet Union in world inflation.

9. There was agreement that the world inflation has significance for the Soviet Union, both in the prices it pays for imports and the prices it receives for export. There was no agreement, however, on the part of the various Soviet economists as to whether, on balance, the Soviet Union had benefited or lost. The USSR, they maintained, as part of the single world economy, can have no interest in promoting its bad health, although little interest was elicited in proposals for cooperation on improving it, such as absorbing petro-dollars. It was pointed out that this latter issue could become a problem for the CMEA countries.

10. The U.S. economists were asked for their views on the nature and trends of the U.S. inflation. The Soviets felt that they could adequately protect themselves by appropriately stipulating contracts. On inflation in the USSR, they felt external inflation could be absorbed by the state budget, that basic commodity prices would be kept low as a matter of policy and hopefully would cover costs through rising productivity, while it was felt prices for services are too low and should be adjusted upward. They also felt that the use of world prices in CMEA trade would have to be abandoned in favor of a new set of prices.

11. The Soviet economists were not responsive concerning econometric modeling. They stated that their interests ran to long-run forecasts and that their knowledge of econometrics and of their own economy was minimal.

12. Because many of the points made by the Soviet participants were of the "you really should not" variety, the U.S. economists emphasized that the roles of the researchers in the two countries were different. The U.S. economist did not advise on policy, but rather considered the issues to be weighed in making the policy decision.

IV AGREEMENTS REGARDING THE CONTINUATION OF THE DIALOGUE

A. Plans for the Third Joint Symposium

At the conclusion of the second joint symposium it was agreed in principle that a third joint symposium should be scheduled for SRI-Menlo Park in mid-1975. Following the post-symposium briefings in Washington, D.C., those governmental personnel concerned with monitoring the research dialogue concurred that SRI should proceed with plans for the third symposium. The following was also agreed:

1. Continuation of the dialogue would be dependent on SRI's ability to maintain the duality of the discussion areas, i.e., strategic/political and economic.
2. A more open discussion agenda than was used in the second symposium would be more effective in furthering the dialogue.
3. More time should be spent in panel discussions as a means of enhancing the dialogue.

These comments have been taken into consideration in the design of the third symposium.

During a November 1974 visit to Washington by Dr. Margarita M. Maximova, a tentative outline of the discussion areas was devised. The specific agenda will be confirmed during a mid-April coordination meeting scheduled for Moscow.

The dates for the third symposium are June 9 through 13, 1975.

B. Joint and Parallel Research Projects

At the second joint symposium it was agreed that two specific projects should be explored as possible joint research projects-- one pertaining to mutual perceptions held by Americans and Soviets of intentions and purposes in formulation of policy, and the second concerned with new forms and institutions for expanded east/west economic relations. Data pertaining to these projects are presented in Appendix I. Subsequent to the symposium a study plan was developed during the November 1974 visit of Dr. Margarita M. Maximova. These study plans are also presented in Appendix I.

A second category of research projects was also discussed and is referred to as parallel research projects. A parallel research project embraces the subject areas that the respective research institutes would explore as part of the independent pursuit of their research program objectives. These areas would be candidate areas for agenda items to be discussed at the third joint symposium, Appendix J details the parallel research project areas. The subject areas include:

- Econometric Modeling as a Scientific Approach to Understanding Economic Structures and Processes
- Econometric Modeling and Methodologies to Increase Understanding of Economic Interaction
- Research on Approaches to Disarmament Through Budgetary Reductions
- Petrodollars and Their Relation to the Stability of International Economic Order
- Research on Strategic Terminology
- Nonproliferation
- Codification of Terms of Restraint in Political Competition
- Conventional Arms Limitation
- Strategic Arms Limitation
- Symmetries in Military Planning Processes

APPENDICES

Appendix A
U.S. PARTICIPANTS

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Appendix A

U.S. PARTICIPANTS

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- Dr. Richard Pipes, Senior Research Consultant, Strategic Studies Center, Stanford Research Institute; Harvard University
- Dr. Thomas W. Wolfe, RAND Corporation
- Dr. Abraham S. Becker, RAND Corporation
- Dr. Gary Fromm, Consultant, Director, National Bureau of Economic Research, Washington, D.C.
- Dr. Lawrence R. Klein, Department of Economics, University of Pennsylvania



STANFORD RESEARCH INSTITUTE
SRI-Washington D.C. Office • U.S.A.

PARTICIPANT BIOGRAPHIES

Attached are short biographies of the U.S. participants in the joint symposium. Listed alphabetically after the Director of the Strategic Studies Center, they are:

Mr. Richard B. Foster, Director SSC/SRI
Dr. Abraham S. Becker
Dr. Robert W. Campbell
Mr. M. Mark Earle, Jr.
Dr. Gary Fromm
Dr. Gregory Grossman
Dr. Lawrence Klein
Dr. Robert H. Legvold
Dr. Herbert S. Levine
Mr. Charles Movit
Dr. Richard Pipes
Mrs. Harriet Fast Scott
Dr. Marshall D. Shulman
Dr. Thomas W. Wolfe

MR. RICHARD P. FOSTER is the founder and Director of the Strategic Studies Center of Stanford Research Institute. He has been engaged in extensive analytical work over the past two decades in the field of strategy and national security policy, especially in politico-military policy, arms control, missile defense, and tactical nuclear weapons policy. He has pioneered in the development of a channel of intellectual interaction with research organizations in the nations of Western Europe and in the Soviet Union. He is author and co-author of many SRI studies performed for the U.S. Government in the field of national strategy. Mr. Foster is a graduate of the University of California at Berkeley, with degrees in engineering and philosophy.

DR. ABRAHAM S. BECKER is a specialist on Soviet Economics for the RAND Corporation where he focuses on Soviet national income, growth, planning and organization, and Soviet defense economics. Dr. Becker is currently the U.S. representative on the United Nations Expert Group on the Reduction of Military Budgets and is a consultant to the U.S. Arms Control and Disarmament Agency. Dr. Becker received his A.B. with Honors from Harvard University and his M.A. and Ph.D. from Columbia University.

DR. ROBERT W. CAMPBELL is Professor of Economics at Indiana University and former Director of the Russian and East European Institute there. Dr. Campbell is the author of Soviet Economic Power, Its Structure, Growth, and Prospects (3rd Edition-1973), and Economics of the Soviet Oil and Gas Industry (1968) as well as numerous other works on Soviet and East European economic affairs. Dr. Campbell received his A.B. and M.A. in economics from the University of Kansas and his M.A. in Russian Area Studies and Ph.D. in economics from Harvard University.

MR. M. MARK EARLE, JR., is Senior Economist and Assistant Director of the Strategic Studies Center of Stanford Research Institute. He has done extensive work in program and cost analysis, and macroeconomic analysis, especially of the economic potential of the United States, Soviet Union, and Peoples Republic of China. He is the co-author of numerous SSC/SRI publications. Among these are: "Implications of

Reduced U.S. Strategic Forces," "U.S. and Soviet Objectives in SALT II," and "Cost Analysis of Alternative USSR Strategic Force Postures." His research has been concerned with strategic force options and war termination and comparisons of the U.S. and Soviet economies, and currently focuses on issues in U.S./USSR economic interaction. Mr. Earle received an A.B. in Economics from Harvard University and an M.A. in Economics from the University of California at Berkeley.

DR. GARY FROMM is director of the National Bureau of Economic Research-Washington, D.C. He has been a consultant to the National Science Foundation, to the Urban Institute, and to Data Resources, Inc., for several years. He also was a Senior Fellow Consultant at Brookings Institution, Professor of Economics at American University and a consultant to the U.S. Bureau of the Budget for many years. He has a B.M.E. from Cornell University, an M.S. from Massachusetts Institute of Technology, and an M.A. and Ph.D. from Harvard University. He is the author of many books and articles on economic and econometric subjects.

DR. GREGORY GROSSMAN is on the faculty of the University of California, Berkeley, in the Department of Economics, and was a member of the Russian Research Center of Harvard University. He was a member of the first delegation of American economists to visit the Soviet Union and has been associated with U.S.-Soviet educational exchanges. He is the author of many books and articles on the Soviet economy and comparative economic systems. Dr. Grossman is a past President of the Association for Comparative Economic Studies. He received a B.A. and M.A. from the University of California, Berkeley, and a Ph.D. in Economics from Harvard University.

DR. LAWRENCE KLEIN is a Professor of Economics at the University of Pennsylvania, and Chairman of the Board of Wharton Econometric Forecasting Association. He is a member of the Committee on Economic Stability, Senior Advisor, Brookings Panel on Economics, and Director of the Social Sciences Research Council, as well as Principal Investigator on Project LINK (International linkage of national econometric models). He has been Vice President of the American Economic Association, and is also past

President of the Econometric Society. Dr. Klein is the author of several books and publications on Econometrics and Economic Forecasting.

DR. ROBERT H. LEGVOLD is Associate Professor of Political Science at Tufts University and will be a research associate, this year, at Harvard University's Russian Research Center. His primary interests lie in international relations and Soviet foreign policy and his current research focuses on Soviet approaches to problems of European security. Dr. Legvold is the author of Soviet Policy in West Africa (1973) and a number of articles on other aspects of Soviet foreign policy. Dr. Legvold received his A.B. from the University of South Dakota and his M.A., M.A.L.D., and Ph.D. from the Fletcher School of Law and Diplomacy at Tufts University.

DR. HERBERT S. LEVINE is Professor of Economics at the University of Pennsylvania and a senior research consultant to the Strategic Studies Center. He has also been a Research Fellow at the Harvard Russian Research Center, a Visiting Assistant Professor at Harvard, Princeton, and Columbia Universities and a Visiting Professor at the University of California. He is a past Chairman of the ACLS-SSRC Joint Committee on Soviet Studies and a Consultant to the State Department. He has an A.B. in Economics from Harvard and an M.A. in Russian Studies as well as a Ph.D. in Economics from Harvard. He has numerous academic honors and awards and is the author of many publications on various aspects of the Soviet economy.

MR. CHARLES MOVIT is a staff member of the Strategic Studies Center of the Stanford Research Institute and a Ph.D. Candidate at the University of Pennsylvania. His major interests are Soviet economic planning, the perspectives for U.S./USSR technological cooperation, and the Soviet construction sector.

DR. RICHARD PIPES is Professor of History at Harvard University and a senior research consultant to the Strategic Studies Center. He is a past Director of the Russian Research Center of Harvard University. Dr. Pipes is a Member of the Joint Committee of Slavic Studies and the American Council of Learned Societies. He is the author and editor of many books

including: Russian Intelligentsia (1961); Social Democracies and the St. Petersburg Labor Movement, 1885-1897 (1963); Europe Since 1815 (1969); Struve: Liberal on the Left, 1870-1905 (1970). Dr. Pipes received an A.B. from Cornell University and a Ph.D. from Harvard University.

MRS. HARRIET FAST SCOTT is a Senior Staff Member of the Strategic Studies Center of the Stanford Research Institute, specializing in the area of Soviet political-military affairs. She has lived in Moscow for four years: 1962-1964 and 1970-1972. During this period she traveled, whenever possible, in the Soviet Union and Eastern Europe. Her articles on Soviet military matters have been published in the Military Review and The Air University Review. With Dr. William R. Kintner, she co-authored The Nuclear Revolution in Soviet Military Affairs (1968). She has edited and provided an analysis, as well as a comparison with two other editions of Marshal Sokolovskiy's 3rd edition of Military Strategy. This work appeared in March 1975. Her monographs have been on SALT, Mutual Force Reduction, Soviet military doctrine and the Soviet Academy of Sciences.

DR. MARSHALL D. SHULMAN is Adlai E. Stevenson Professor of International Relations and former Director of the Russian Institute at Columbia University in New York. He is the author of a number of books and articles on international politics, Soviet foreign policy and the limitation of armaments. Formerly, he served as Special Assistant to the Secretary of State, and has been on the faculty of Harvard and Tufts Universities.

DR. THOMAS W. WOLFE is a senior staff member of the RAND Corporation and a member of the faculty of the Sino-Soviet Institute at George Washington University in Washington, D.C. Dr. Wolfe is the author of Soviet Strategy at the Crossroads (1964) and Soviet Power and Europe: 1945-1970 as well as numerous articles and contributions. A graduate of Hiram College and Columbia University's Russian Institute, Dr. Wolfe received his Ph.D. from Georgetown University. Dr. Wolfe is a frequent lecturer on Sino-Soviet Affairs and strategic problems.

Appendix B
SOVIET PARTICIPANTS

TRANSLATION

Dr. Richard Foster
Director
Strategic Study Center
Stanford Research Institute
1611 North Kent Street
Arlington, Virginia
U.S.A.

Dear Mr. Foster:

We are grateful to you for the information received by us on the preparations by the American side for the second Soviet-American symposium.

We would like to inform you in turn that the preparation of the Soviet participants in organizational provisions of the symposium are being carried out in correspondence with the arrangement.

We would consider it useful to conduct discussion at the symposium in the direction jointly agreed earlier with you, grouping together correspondingly questions to be subject to discussion. At the same time, we would not like to give the discussion a too rigidly schematic character, depending rather on a lively and free exchange of opinions.

On our side, we at the same time send you as suggestions prepared by Soviet participants from INEMO and IUSA, the elaboration of problems for discussion at the second Soviet-American symposium, which we hope you may be able to think over before your trip to Moscow. Of course, your observations and suggestions might be considered in the final agreement on the program of the day and the problematics of discussion at the symposium when [you are] already in Moscow.

We are looking forward to meeting soon and to fruitful work at the Soviet-American symposium.

With deepest respect,

Ye. Primakov
Assistant Director
of the Institute
Professor

Appendix B
SOVIET PARTICIPANTS

Institute of World Economy and International Relations (IMEMO)

Dr. Ye. M. Primakov, Deputy Director
Dr. O. N. Bykov, Chief of Department (International Relations)
Dr. A. V. Anikin, Chief of Department (U.S. Economy)
Dr. V. I. Gantman, Section Director (Theory of International Relations)
Dr. P. D. Tarabayev, Section Director (formerly UNESCO)
Dr. D. V. Petrov, Section Director (Pacific Relations)
Dr. O. F. Bogdanov, Section Director (Financial Problems)
Dr. A. I. Bel'chuk, Section Director (East-West Economic Relations)
Dr. L. M. Gromov, Section Director (Forecasting Methods)
Dr. R. M. Entov, Section Director (U.S. Economics)
Dr. A. I. Kalyadin, Section Director (Disarmament)
RAdm (Ret.) A. P. Astaf'ev, Senior Researcher (Military/Political)
Dr. V. G. Shkunayev, Section Director (UN Affairs)
Dr. V. M. Shamberg, Section Director (U.S. Politics, Economics)
Dr. D. M. Proektor (Col. Ret.), Section Director (European Security)
Dr. Y. A. Kostko, Academic Secretary
R. A. Aloyan, Deputy Academic Secretary

Institute for the United States of America (IUSA)

Dr. G. A. Arbatov, Director
Dr. V. V. Zhurkin, Deputy Director
Dr. V. N. Krest'yanov, Academic Secretary
Dr. A. A. Kokoshin, Academic Secretary
Dr. G. A. Trofimenko, Department Director (U.S. Foreign Policy)
Dr. I. D. Ivanov, Department Director (U.S. Economic Problems)
Dr. Yu. I. Bobrakov, Section Director (U.S. State-Monopoly Capitalism)
Dr. A. K. Kislov, Section Director (U.S. Middle East Policy)

Institute for the United States of America (IUSA) (Continued)

Dr. Yu. A. Shvedkov, Section Director (U.S. Foreign Policy Problems)

Dr. G. I. Svyatov, Section Director (U.S. Military Technology Policy)

Dr. L. S. Semeyko, Senior Researcher (U.S.-USSR Military/Political Relations)

Dr. I. L. Sheydina, Senior Researcher (U.S.-USSR Scientific Technical Cooperation)

PARTICIPANT BIOGRAPHIES

Institute of World Economy and International Relations

INOZEMTSEV, NIKOLAI NIKOLAYEVICH, Director of the Institute of World Economy and International Relations of the Academy of Sciences, USSR, Doctor of Historical Sciences, Professor, Academician of the Academy of Sciences, USSR. Born in 1921 in Moscow. Participant in the Great Patriotic War. In 1949, finished the Moscow Institute of International Relations. Author of the books American Imperialism and the German Question 1945-1954; U.S. Foreign Policy in the Epoch of Imperialism; Contemporary Capitalism: New Phenomena and Contradictions, Editor-in-Chief of the series International Relations after the Second World War and others. Author of a number of articles on international relations.

PRIMAKOV, YEVGENIY M., Deputy Director of the Institute of World Economy and International Relations, Doctor of Economic Sciences, Professor. Books: International Conflicts.

BYKOV, O. N., Chief of a department of IMEMO. (International Relations) Doctor of Historical Sciences.

GANTMAN, V. I., Section Director of IMEMO. (Theory of International Relations).

MOROZOV, G. I., Section Director of IMEMO.

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BOGDANOV, O.F., Section Director of IMEMO. (Financial Problems). Candidate of Economic Sciences.

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GROMOV, L.M., Section Director of IMEMO. (Forecasting Methods).

ENTOV, R.M., Section Director of IMEMO. (U.S. Economics). Candidate of Economic Sciences. Head of a Section.

KALYADIN, A.I., Section Director of IMEMO. (Disarmament).

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ALOYAN, ROBERT A., Deputy Scientific Secretary of IMEMO.

SHKUNAYEV, V.G., Section Director of IMEMO. (U.N. Affairs).

SHAMBERG, V.M., Section Director of IMEMO. (U.S. Politics, Economics).
Candidate of Economic Sciences.

PROEKTOR, D.M., Section Director of IMEMO. (European Security).
Doctor of Historical Sciences.

Institute of the United States of America

ARBATOV, GEORGIY ARKAD'YEVICH, Director of the Institute of the USA of the Academy of Sciences, USSR, Doctor of Historical Sciences, Professor, Corresponding Member of the Academy of Sciences USSR. Born in 1923 in the city of Kherson. Participant in the Great Patriotic War. In 1949, finished the Moscow Institute of International Relations. Author of the book The Ideological Struggle in Contemporary International Relations. Co-author of the books Fundamentals of Marxism-Leninism (edited by O. Kuusinen), Scientific-Technical Revolution and Tendencies of U.S. Foreign Policy, Communism and the World Revolutionary Process, The Nixon Doctrine, and others. Author of a great number of articles on central problems of contemporary international relations, U.S. foreign policy and Soviet-American relations.

ZHURKIN, VITALIY VLADIMIROVICH, Deputy Director of the Institute of the USA of the Academy of Sciences, USSR, Candidate of Historical Sciences. Born in 1928. In 1951, finished the Institute of International Relations. Worked for the press and in the Ministry of Foreign Affairs USSR. Editor and co-author of the books Nixon Doctrine, International Conflicts, USA: Scientific-Technical Revolution and Tendencies of U.S. Foreign Policy, and others. Member of the executive committee of the Soviet Association for U.N. Cooperation, member of the board of the Soviet Association of Political Scientists.

BOBRAKOV, YURIY IVANOVICH, Candidate of Economic Sciences, head of a sector on State-Monopoly Capitalism in the USA. Born in 1928 in Leningrad. Finished Moscow State Institute of International Relations of the Ministry of Foreign Affairs, USSR, in 1950. Author of the books and brochures The U.S. Economy in the Labyrinth of Contradictions, U.S. Imperialism in the Period of Decline, The Federal Reserve System of the United States, and also a great number of articles on the problems of modern state-monopoly capitalism of the USA.

PODUZOV, ALEKSANDR ALEKSANDROVICH, Candidate of Technical Sciences. Head of a laboratory of modulation of the Institute of the USA. Born in 1934 in the city of Kaluga. Finished the Moscow Aviation Institute in 1958. Author of a number of articles on questions of analysis of the tempo and factors of economic growth of the USA.

IVANOV, IVAN DMITRIYEVICH, Doctor of Economic Sciences, Head of the Department of Economic Problems of the USA. Born in 1934 in Moscow. In 1957, finished the Institute of Foreign Trade of the Ministry of Foreign Trade, USSR. Co-author of the monograph Patents and Licences in International Economic Relations. Author of the monographs The Patent System of Modern Capitalism, The Common Market and the Competition of the Two Systems, Prognostication of Scientific-Technical Progress in the Practice of Foreign Firms, and also a large number of articles on questions of modern American economic and international economic relations.

KISLOV, ALEKSANDR KONSTANTINOVICH, Candidate of Juridical Sciences, Head of the Sector of U.S. Middle East Policy. Born in 1929 in Moscow. In 1952, finished the Moscow State Institute of International Relations of the Ministry of Foreign Affairs, USSR. Author of a large number of articles on U.S. policy in the Middle East.

KOKOSHIN, ANDREY AFANAS'YEVICH, Candidate of Historical Sciences, Scientific Secretary of the Institute of the USA. Born in 1945 in Moscow. In 1969, finished the Moscow Higher Technical School named for Bauman. Author of a number of articles on questions of U.S. foreign policy and theoretical problems of international relations.

KREST'YANOV, VLADIMIR NIKOLAYEVICH, Scientific Secretary of the Institute of the USA, Senior Scientific Worker. Born in 1921 in Moscow. Finished in 1951 the Moscow State Institute of International Relations of the Ministry of Foreign Affairs, USSR.

SHVEDKOV, YURIY ALEKSANDROVICH, Candidate of Historical Sciences, Head of the Sector of General Problems of U.S. Foreign Policy. Born in 1927 in Moscow. Finished the Moscow State Institute of International Relations of the Ministry of Foreign Affairs, USSR, in 1949. Co-author of the following works: Monopolistic Capital of the USA after the Second World War; Military Bases of the USA; USA: Foreign Policy Mechanisms; The Nixon Doctrine; The USSR and the USA. Their Interrelationship in the Modern World. Author of a large number of works on questions of the functioning of the foreign policy mechanism of the USA, and political questions of Soviet-American relations.

SHEYDINA, INNA L'VOVNA, Candidate of Historical Sciences, Senior Scientific Worker. Born in 1942 in Tbilisi, finished the Moscow State Pedagogical Institute of Foreign Languages named for Thorez, in 1964. Co-author of the brochure USSR-USA: Perspective for Scientific-Technical Cooperation. Author of the book USA: "Think Tanks" in the Service of Strategy. Also the author of a number of articles on questions of Soviet-American scientific-technical cooperation.

SVYATOV, GEORGIY IVANOVICH, Candidate of Technical Sciences, Head of a Sector of U.S. Military-Technical Policy. Born in 1931 in Odessa. In 1954, finished the Leningrad Shipbuilding Institute. Author of the brochure Physics in Battle, Atomic Submarines, and also a number of articles on questions of military-technical policy of the USA and on arms limitation.

SEMEYKO, LEV SEMYONOVICH, Candidate of Military Sciences, Senior Scientific Worker, born in 1923, in the village of Otkaznoye, Stavropol Region. Graduated from Frunze Military Academy in 1951. Author of the book Foresight of a Commander in Battle, and also a number of articles on questions of Soviet-American military-political relations, limitation of strategic armaments, and prognostication of international relations.

TROFIMENKO, GENRIKH ALEKSANDROVICH, Doctor of Historical Sciences, Head of the Department of U.S. Foreign Policy. Born in 1929 in Bryansk. Finished the Moscow State Institute of International Relations of the Ministry of Foreign Affairs, USSR, in 1951. Author of the books The Strategy of Global War, USA: War, Ideology and Politics (to appear in 1975), and also author of a large number of articles on questions of limitation of strategic armaments and on a number of questions of U.S. foreign policy.

OBSERVERS:

From the Ministry of Foreign Affairs:

CHETVERIKOV, S., USA Section

KAPRALOV, U.

SHIMANOVSKY, V.

IZVEKOV, N.

USACHEV, Policy Plans

VAVILOV, ANDREI, International Organizations

Appendix C
SYMPOSIUM AGENDA AND ITINERARY



STANFORD RESEARCH INSTITUTE

SRI-Washington D.C. Office · U.S.A.

PROGRAM OF THE SOVIET-AMERICAN SYMPOSIUM 22 September-1 October 1974

22 September Sunday	Arrival of the American delegation in Moscow Accommodation at the "Sovietskaya" hotel 15.30 - Lunch 19.00 - Theatre program/"Giselle" at the Bolshoi/ Supper after the theatre
23 September Monday	9.00 - Breakfast 10.00 - 11.15 - U.S. Embassy 12.00 - 14.00 - A visit to the World Economy and International Relations Institute 14.00 - 15.30 - Lunch at the hotel 16.00 - 17.00 - A visit to the Institute of U.S. Studies 19.30 - Supper for all the participants of the Symposium at the hotel/Blue Hall/
24 September Tuesday	8.30 - 9.15 - Breakfast 10.00 - 11.30 - Morning session 11.30 - 12.00 - Coffee or tea break 12.00 - 13.30 - Continuation of the discussions 13.30 - 15.00 - Lunch at the hotel 15.00 - 17.00 - Afternoon session Theatre program in the evening/The Tchaikovsky Concert Hall or the Kremlin Palace of Congresses/
25 September Wednesday	8.30 - 9.15 - Breakfast 10.00 - 11.30 - Morning session 11.30 - 12.00 - Coffee or tea break 12.00 - 13.30 - Continuation of the discussions 13.30 - 15.00 - Lunch at the hotel 15.00 - 17.00 - Afternoon session Theatre program in the evening/Circus or the Kremlin Palace of Congresses/
26 September Thursday	8.30 - 9.15 - Breakfast 10.00 - 11.30 - Morning session 11.30 - 12.00 - Coffee or tea break 12.00 - 13.30 - Continuation of the discussions 13.30 - 15.00 - Lunch 15.00 - 17.00 - Freetime 19.30 - Reception at the "Slavyansky bazaar" restaurant, Hall N4, "Russian izba."

PROGRAM OF THE SOVIET-AMERICAN SYMPOSIUM
(Continued)

27 September Friday	3.30 - 9.15 - Breakfast 10.00 - 13.30 - Morning session 11.30 - 12.00 - Coffee or tea break 13.30 - 15.00 - Lunch at the hotel 15.00 - 18.00 - Final session 18.30 - Reception at the U.S. Embassy (Spasso House) 23.55 - Departure to Leningrad by "Red Arrow" train
28 September Saturday	8.25 - Arrival in Leningrad Sightseeing tour of the city, visits to the Hermitage, Russian museum, Petrodvorets Theatre program in the evening After the theatre and supper departure to Tallinn by night train
29 September Sunday	3.00 - Accommodation at the "Viru" hotel 9.00 - 10.00 - Breakfast 10.30 - 11.30 - A visit to the Presidium of the Estonian Academy of Sciences/The delegation will be received by the President of the Academy K. Rebane/ 11.30 - 13.00 - Sightseeing tour of the city 13.00 - 14.30 - Lunch at the hotel 14.30 - 18.00 - A trip to the "Saku" state farm/ Dr. Ilmar Jurisson, Director In the evening - Supper at the sauna of a hunting club in Pirita
30 September Monday	9.00 - Breakfast 10.00 - 11.00 - A visit to the Tallinn Polytechnical Institute/The delegation will be received by its rector/ Prof. A. Aarna 12.00 - 13.00 - The delegation will be received by the first deputy Chairman of the Council of Ministers of the Estonian SSR Gustav Tonspoe 13.00 - 15.00 - Lunch at the hotel 15.00 - 18.00 - Free time A night train to Moscow
1 October Tuesday	9.15 - Arrival in Moscow 11.00 - 13.00 - The delegation will be received by academician N. N. Inozemtsev 13.30 - Lunch
2 October Wednesday	In the morning departure from Moscow

Appendix D

SYMPOSIUM ISSUES FOR DISCUSSION

Appendix D

Symposium Issues for Discussion

The issues for discussion were raised first in a letter from Dr. Ye. Primakov, Assistant Director of IMEMO prior to the symposium session in Moscow. Secondly, the U.S. list of issues for discussion were published as an Informal Note by some of the U.S. participants. Third, a list of specific economic questions was compiled and presented at the symposium.

TRANSLATION

Dr. Richard Foster
Director
Strategic Study Center
Stanford Research Institute
1611 North Kent Street
Arlington, Virginia
U.S.A.

Dear Mr. Foster:

We are grateful to you for the information received by us on the preparations by the American side for the second Soviet-American symposium.

We would like to inform you in turn that the preparation of the Soviet participants in organizational provisions of the symposium are being carried out in correspondence with the arrangement.

We would consider it useful to conduct discussion at the symposium in the direction jointly agreed earlier with you, grouping together correspondingly questions to be subject to discussion. At the same time, we would not like to give the discussion a too rigidly schematic character, depending rather on a lively and free exchange of opinions.

On our side, we at the same time send you as suggestions prepared by Soviet participants from IMEMO and IUSA, the elaboration of problems for discussion at the second Soviet-American symposium, which we hope you may be able to think over before your trip to Moscow. Of course, your observations and suggestions might be considered in the final agreement on the program of the day and the problematics of discussion at the symposium when [you are] already in Moscow.

We are looking forward to meeting soon and to fruitful work at the Soviet-American symposium.

With deepest respect,

Ye. Primakov
Assistant Director
of the Institute
Professor

PROBLEMS FOR DISCUSSION AT THE
SECOND SOVIET-AMERICAN SCIENTIFIC SYMPOSIUM

By Ye. Primakov
Deputy Director, IMEMO

The Soviet participants in the Symposium suggest concentrating on questions, which it would be useful to make subjects for discussion, in three basic directions.

First of all, obviously, in the course of the symposium, questions can be discussed connected with the perspective for the further lessening of the military danger in the contemporary world.

The central point of such a discussion, in our opinion, would be a consideration of the real possibilities of undertaking further effective measures enabling the decrease and in the final count, the complete exclusion of the risk of military confrontation between the USSR and the USA and thereby the prevention of a world nuclear missile war. The consideration of this question obviously must be carried out on the basis of the agreements of principle reached by the Soviets and Americans.

Under this, the conditions may be analyzed for the display by the Soviet Union and the United States in mutual agreement of maximum restraint in further deployment of their armaments, for the achievement of arrangements, providing for the prevention of the creation of new systems of strategic arms. It would be expedient to define the complex of factors influencing the solution of problems of further restraint, and then reduction of armaments, in the first place, through the working out as soon as possible of new longer term Soviet-American agreements on quantitative and qualitative limitation of strategic offensive weapons.

It seems expedient to discuss the prerequisites for the conclusion of agreements between the USSR and the USA about the complete cessation of all subterranean tests of nuclear weapons, the achievement in the end of comprehensive or all-encompassing and general prohibition of nuclear experiments.

At the symposium, there could be discussion of the possible role of the USSR and the USA in the matter of the increasing the effectiveness of the treaty on the non-proliferation of nuclear weapons.

It would be useful in the course of discussion to expose to scientific analysis the possibility of taking out of the Mediterranean Sea of all Soviet and American submarines and ships carrying nuclear weapons.

Participants in the symposium could consider together several questions connected with support by the Soviet Union and the United States for convening a global conference on disarmament at an appropriate time.

The second basic direction for discussion might be the discussion of the question of the joint efforts of the USSR and the USA toward the consolidation of detente and widening international cooperation.

Chiefly here, from our point of view, must be the analysis of problems of the constructive development of Soviet-American relations as a real dynamic factor of the general improvement of the political climate in the world, and the transformation of detente into an irreversible process of contemporary international development.

Evidently, in the limits of this discussion, must be discussed the significance of Soviet-American mutual understanding for the formation of a general European system of security and cooperation, for the securing of mutual trust and stability on the European continent, for a mutual reduction of armed forces and armaments in Central Europe.

An important problem, in our opinion, for discussion is the role of the USSR and the USA in the process of the peaceful regularization in the Middle East on the basis of the well known resolution of the UN Security Council, taking into account the interests of all peoples of the Middle East, including the Palestinian people, and the right to existence of all states of this area, including the question of the vital necessity for rapid resumption of the Geneva Peace Conference on the Middle East.

Soviet-American scientific discussion at the symposium must include, it seems to us, the problem of preserving and securing peace and stability in Indochina, the creation of prerequisites for guaranteeing collective security in Asia.

It would be expedient to discuss the question of the efforts of the USSR and the USA of raising in every possible way the effectiveness of the United Nations, including in respect to maintenance of peace, on the basis of strict adherence to UN rules.

The third, and most important, in our opinion, direction for discussion at the symposium would be the problem of Soviet-American economic and scientific-technical cooperation in connection with actual problems of the world economy.

It seems important to us, first of all, to discuss the state, conditions and perspectives of Soviet-American trade links in light of the general problem of the international division of labor and foreign economic exchange in the contemporary world, economic strategy in export-import links, the factors of demand and supply, tendencies of world prices. Under this, it is necessary to bring to light the political conditions of Soviet-American trade including in connection with the problem of the allocation of the principle of most favored nation by the American side.

An interesting theme for discussion would be the problem of broadening productive cooperation, the determination of possibilities of mutually advantageous, large scale and long-term economic cooperation, the mechanism and form of such cooperation.

In this connection, especially interesting is the analysis of the world energy problem in light of Soviet-American relations, the approaches of the two countries to the solution of the problem, perspectives for bilateral and multilateral foreign economic ties in the field of energy.

The remaining place in the discussion could be occupied by an analysis of international financial problems in light of Soviet-American relations, first of all current state of international monetary relations and money markets in the West, the problems of financing the trade of the USSR with Western countries, in particular, with the USA.

The condition, perspectives, and problems of scientific-technical cooperation of the USSR and the USA could as well be the subject of discussion at the symposium. There could be interest in bringing out the consequences, socio-economic, and scientific-technical, of the cooperation of the two countries.



STANFORD RESEARCH INSTITUTE

SRI Washington D.C. Office - U.S.A.

STRATEGIC STUDIES CENTER

16 September 1974

ISSUES FOR DISCUSSION:

SRI/SSC - IMEMO/IUSA 1974 JOINT SYMPOSIUM ON STRATEGIC
POLITICAL/MILITARY AND ECONOMIC RELATIONS BETWEEN THE
UNITED STATES AND THE USSR

By:

R.B. Foster
M.M. Earle
R. Pipes
H.S. Levine
H.F. Scott, et. al.

Reader Note:

This Informal Note sets forth suggested issues for discussion at the 1974 joint symposium between the Strategic Studies Center of SRI and the Institute of World Economy and International Relations (IMEMO) and the Institute of U.S. Studies (IUSA) of the Academy of Sciences of the USSR. These issues are raised in accordance with agreements reached with representatives of IMEMO and IUSA. The paper dated 26 August by Dr. Ye. Primakov, Deputy Director of IMEMO, entitled "Problems for Discussion at the Second Soviet-American Scientific Symposium", is acknowledged.

Approved for Distribution:

Richard B. Foster
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I. INTRODUCTION

A realistic approach, not optimistic or pessimistic concerning U.S.-USSR relations, is perhaps the most useful for purposes of scientific discussion. There is a common dialectical framework for all relations between the United States and the Soviet Union: on the one hand, the two socio-economic systems are in competition on a global scale and the interests of the two superpowers may conflict in certain regions of the globe where both sides perceive they have vital interests; on the other hand, the strategic nuclear equation has made it necessary for both sides to cooperate to prevent nuclear war. Strategic nuclear weapons in the era of mutual assured destruction have fundamentally altered interstate relations by eliminating all-out war as a reasonable means of settling differences between nation states with differing social-economic systems. Therefore, a new international political system must be erected to permit competition without resort to violent conflict. In this sense, the origin of the current emphasis on economic relations between the two countries derives largely from the commonly accepted goal of the political necessity of preventing nuclear war between the U.S. and the USSR.

The "Basic Principles of Relations Between the United States and the Union of Soviet Socialist Republics," agreed to by the two powers in May, 1972, are the beginnings of such a new international political system in which these two competing social systems can co-exist. Many other arrangements are being made between the United States and the Soviet Union for cooperation in the exchange of technical and scientific data, in space, in economic trade; and yet deep political divisions remain.

Many Americans, including members of the Congress, evidence continuing concern about the problem of free emigration from the Soviet Union and do not consider it solely an internal national problem for the USSR. Other Americans are concerned lest technical economic cooperation and trade on favorable credit terms be a form of a subsidy to an arms buildup - nuclear and conventional - by the Soviet Union, shielded by traditional Soviet secrecy. Another issue

that affects Americans from the private sector as well as from the U.S. Government is the unwillingness of all Soviet ministries to fulfill completely the terms of prior agreements reached in the spirit of detente. A recent example is the U.S.-USSR agricultural agreement.

Other broad political and economic questions arise in the relations of the Soviet Union and the West to lesser-developed countries, particularly in the era of increasing scarcity of raw materials and food. It is now evident that lesser-developed countries are forming cartels (on the model of the OPEC nations concerning oil pricing), in part as a result of the influence and encouragement of the USSR. At the same time, western nations (as well as the Soviet Union) are being forced to invest a higher proportion of their capital in the extractive industries both within each country as well as without. There are the associated problems of global inflation, of national competition for scarce resources, of the growth of multi-national corporations and transnational economic institutions - such as the COMECON and the EEC - all creating pressures for radical changes in the international political and commercial trade systems. The effect of these pressures - many external in origin to both the United States and the Soviet Union - is compounded by the scientific-technical revolution with its impact on the military and civilian sectors of both economies. There are thus many reasons for the United States and the Soviet Union to cooperate in building a stable world order, one in which the international aspects of economic development and cooperation become increasingly important to the national security of not only the U.S. and the USSR, but indeed all nations - developed and developing. It is in this spirit of international cooperation to prevent both military and economic crises of global dimensions that the discussion items of the following two sections are suggested.

II. STRATEGIC POLITICAL/MILITARY ISSUES TO BE DISCUSSED

The basic discussion in this area are assumed to be conducted in the framework of the May 1972 Arms Control Accords, with particular reference to the Principles of Relations between States of May 26, 1972. The U.S.-USSR agreement to take extraordinary means to prevent nuclear war carries with it the burden of finding means to avoid military confrontations between the U.S. and the USSR that might lead directly to a nuclear war. The basic U.S.-USSR agreement to prevent nuclear war has far-reaching implications, including the evolution of firm political agreements and treaties based on common understanding and study. Some of the basic issues that might be fruitful to discuss in this context are:

1. The problems of perceptions and images of intentions and purposes behind the defense programs and budgets of both sides; this problem of mutual perceptions is at the heart of the problem of arriving at a common set of objectives to guide arms limitation and arms control negotiations.

2. The prospects for reaching arms controls and arms limitations agreements over the next decade depend in part on the following considerations:

- a. A common perception and definition of strategic stability, particularly in regions as Central Europe and the Middle East and elsewhere where the interests of the U.S. and USSR may be in conflict;

- b. The problem of the continuing technological arms race, particularly in the light of the long lead time for the development of arms and the lack of a commonly accepted measure of output for scientific research and development as an economic activity;

- c. The relationship between qualitative superiority in weapons technology and quantitative superiority in numbers of weapons and troops, for example, can a superiority in numbers be balanced in superiority in technology, and how does one take into account the essentially transient nature of the technological lead?

3. The U.S. has proposed "essential equivalence" as a concept for arms limitation negotiations; can criteria be developed that might be acceptable to both sides in terms of this concept?

4. As noted above, the technological arms race is probably the most difficult element to be brought under mutually acceptable controls. There

are several questions that affect military research and development as an objective for arms limitation. Some of these problems are methodological and have apparently not been satisfactorily solved by either side. They include:

a. The relation of input measures, such as expenditures in dollars or rubles or technological man years, to output measures, such as increased effectiveness of weapons in the military or productivity of labor in the general economy.

b. The nature and role of technology transfer between two different social systems exemplified by the U.S. and the USSR, and between sectors within each economy. Are there any similarities between the two systems in terms of international technology transfer?

c. This of course leads to the next major question, that of the use of "civilian technology" for military purposes, exemplified by computers and technologies associated with communications.

5. The research and development problem brings up the broader problem of how to compare military budgets.

a. This included such questions as standardization of categories of budget reporting, problems of verification of compliance with agreements and the effect of such agreements on international security arrangements (for example, would arms sold to third countries be counted in the budgets of the two major powers?)

b. Agreed military budget controls as an arms control measure have a strong appeal: it appears that control is over inputs instead of outputs. However, available methodology for measuring the relationship between input and output on a meaningful basis between the two different social-economic systems is lacking. A useful beginning would be to arrive at a statement of methodological differences which would reflect both differences in mutual perception as well as inherent differences in the two social systems. This methodological approach would have to consider not only the very difficult issue of military research and development, but also the relative burden of defense on the two economies; the relative ease of convertibility of military expenditures to civil use and vice versa; the question of arriving at deflators for expenditures to account for price changes in the general economy; and a general methodology for international

financial comparisons in the absence of an international monetary system in which the ruble would become comparable to Western currency exchange rates that are arrived at in an international money market.

6. Because of the number of questions raised by representatives of the USSR concerning the U.S. targeting philosophies for its strategic weapons, a discussion of the targeting philosophies of both countries might be useful.

7. The concept of "legitimate security interests" of the U.S. and the Soviet Union has never been clearly defined in certain critical regions of the world, two of the more important being Europe on the one hand and in the Mid-East and Persian Gulf on the other. A discussion of the security interests of the two countries in these two regions could be useful, particularly in the light of current Arab-Israeli negotiations and the criticality of oil imports from the Mid-East and Persian Gulf to Japan, Western Europe and the United States. Both the short-term and the long-term oil import requirements of East Europe and the USSR (comprising the COMECON countries) is also a useful area of inquiry.

8. There are questions that stem from considerations of the relationship between bilateral U.S.-USSR negotiations in SALT to limit strategic nuclear weapons and those multilateral negotiations concerned with mutual force reductions in Central Europe. How would these negotiations affect the total relationship of forces - both quantitative and qualitative - as between the strategic and tactical nuclear forces and the conventional forces? To what extent would a broad concept as "strategic stability" provide a framework for all such negotiations so that measures that may in the long run have destabilizing effects could be avoided in arms limitations agreements?

III. STRATEGIC ECONOMIC ISSUES TO BE DISCUSSED

Prospects for U.S.-USSR Economic Development Over the Next 10-20 Years

1. The evaluation of growth prospects over a 10-20 year period involve the estimation of end points, and also of the path taken. What are the informed evaluations of Soviet growth prospects over the next 10-20 years? Do these estimates envision a steady rate of growth over this period or an accelerating or declining rate of growth?

2. The prospects for USSR economic development are thought to be closely tied to the success of the current activities relating to the improvement of factor productivity. What policies and programs appear to be the most successful for dealing with this problem?

3. The development of both economies is dependent in part on expanded energy sources. Most Western estimates of Soviet energy supply and demand find them in general balance today and in the near-term but question the mid-to-long term ability of the Soviets to meet growth objectives in this sector. To what extent might the development of these energy resources be significantly slowed if foreign development capital is not utilized? How might COMECON agreements on oil shift in nature and volume during the next decade?

4. Both the United States and the Soviet Union face manpower development problems during the next 10-20 years. To what degree are the manpower problems of the two countries comparable? What major problems do we face in the adaptation of the labor force to the needs of the scientific-technical revolution?

5. Clearly, the United States has been experiencing extraordinary rates of inflation during the past two years. What is the Soviet perception of the causes of the inflation, its likely duration and import? How does the Soviet Union deal with inflation, e.g., increasing costs of machinery?

6. Considerable importance has been placed on the preparation by the Soviet Union of a Fifteen-Year Plan which will provide long-term guidelines for further development of the Soviet economy. What is the status of this Plan? Does the Plan address any fundamental shifts in strategic-economic objectives? Does the USSR perceive that the United States might undertake comparable

7. The economic interdependence of Japan, Western Europe, and the United States has been increasing. Yet, considerable problems have been encountered in trade and monetary relations of late. How do the Soviet observers perceive the nature of these problems? What is the long-range Soviet view of their participation in the world monetary system?

8. Does an expansion of commercial relations imply a net growth of credit or should trade flows be balanced, period by period?

The Role of Trade in U.S.-USSR Relations Over the Next 5-10 Years

9. A major consideration affecting the prospects of U.S.-Soviet trade over the mid-term is the economic strategy that the USSR will pursue. To what extent does the current strategy represent a shift in the traditional role of trade in the annual and five-year plans?

10. Because of the tremendous increase in the level of U.S.-Soviet trade in the last several years, the "normal" future levels are not easily forecast. What are the general characteristics in terms of volume and composition currently being estimated by the Soviet Union for U.S.-USSR trade over the next 5-10 years? Is the availability of credit a major determining factor in light of price realignments in world oil and gold markets?

11. Major differences in economic systems, such as state monopoly of foreign trade vs. independent traders, are usually acknowledged as impeding efficient expansion of trade relations. In what areas are there promising opportunities to improve the mechanisms for East-West trade?

12. Both U.S.-USSR policy statements stress the value of "normalized" economic relations in decreasing international tensions. What is the implication of "normalized" relations for the interplay and conflict of national objectives with the mutual interdependence of the two nations as part of the world economic system?

13. Increasingly, the developed economies are encountering resource shortage problems. In what major areas will global resource shortages inhibit or encourage the expansion of U.S.-Soviet trade? What are the prospects for joint Soviet/American projects in the energy field, particularly in the

light of the questions raised by Soviet Oil and Gas Minister Shashin concerning the discontinued interest of the Soviet Union in joint development of the USSR's oil resources?

14. According to some economists, a shift in the theoretical foundations of economic interactions seems to be underway. What basic economic principles will guide the interaction of the developed Western and Socialist economies in the next two decades? What basic economic principle will guide the interaction of these economies with those of the less-developed countries?

R&D and Technology Problems

15. One of the central problems in both countries limiting the improvement of R&D planning is the lack of "output" measures. In what areas have advances been made on this problem or would new approaches be worthwhile? What share of GNP should be devoted to R&D? How do we measure the effectiveness of this investment?

16. Technology exchange like commodity trade is a part of the normalization of relations. In what manner, if any, does technology exchange differ from commodity trade in furthering interdependence or encouraging long-term interaction?

17. Fundamental differences that exist between the two systems relating to economic organization and technology absorption impede the efficient transfer of technology. In those areas where technology exchange is determined to be "mutually beneficial," what mechanism might be developed to improve the transfer of technology? What legal and organizational forms for industry cooperation are acceptable (equity capital, legal guarantees...)?

18. Multinational corporations (MNCs) have played an important role in the expansion of global trade and the transfer of technology during the past decade. What shifts in the role or operations of the MNCs are likely given shifts in the global economy relating to resource supply, labor utilization and political-economic changes in host-home country relationships? What are the implications for East-West trade? Are MNCs a positive force or a hindrance for the international transfer of technology?

19. In a detente relationship, one of the concerns is the utilization by the military of technology transferred to another country for nondefense purposes. What safeguard might be employed to reduce or prevent this possibility? To what degree is this a symmetrical or asymmetrical problem?

20. Soviet statements stress that improvements in economic relations are to be "mutually beneficial." Yet, a commonly-held perception in the United States is that the technology exchange to date has been more beneficial for the Soviets than for the United States. Given the experience of the past two years, what specific areas of technology look promising for transfer of technology to the United States from the Soviet Union?

Methodology for Policy Advising

One of the more fruitful discussions begun at the April, 1973, SRI/SSC-IMEMO/IUSA symposium in Washington, D. C., concerned the methodologies for communicating economic information to political leaders. We would like to continue this discussion.

21. When weighing different national policy programs, how are the economic consequences, costs and benefits, measured?

22. What special analytical methods and price calculations are employed?

23. In what forms are the results of this research communicated to political leaders?

24. What types of interchange and feedback between political leaders and economic advisers take place?

Economic Modeling for Policy Analysts

The Strategic Studies Center of SRI and the Wharton Econometric Forecasting Associates (WEFA) of the University of Pennsylvania have completed the first year of a three-year project on the construction of an econometric model of the Soviet Union. As a consequence, in addition to several general questions about econometric modeling, we have a number of specific questions about modeling the Soviet economy.

25. General Questions on Economic Modeling for Policy Analysts are:

a. In Soviet discussion what is the relationship between planning and forecasting? What degree of accuracy do Soviet planners/forecasters aspire to? What degree of accuracy do they achieve?

b. In the Soviet Union what types of work are included within the category "econometric modeling?"

c. Briefly describe the present state of econometric modeling in the Soviet Union, especially with regard to the construction of macro econometric models of the Soviet Union and of foreign countries.

d. To what extent are econometric models used within the planning and decisionmaking processes? In what ways and for what purposes are they used?

e. What approaches are taken to the econometric modeling of technical change?

f. What are seen as the major problems and major barriers to the further development of work on econometric modeling?

26. Specific Questions on the Short-Term Econometric Modeling of the Soviet Union are

a. What does a flow chart of the Soviet economic process look like?

b. What are the most reliable and the least reliable major Soviet statistical magnitudes? (In the United States, consumer spending and wage income are among the most reliable; inventory investment and profit type incomes among the least reliable.)

c. In the construction of Soviet plans, which end-uses are planned first and which are planned last?

d. Is it better to base a short-term forecasting model of the Soviet Union on plan and plan budget data, or on previous years' actual performance data?

e. In such a model should supply relationships or demand relationships be paramount?

f. How should supply functions and supply constraints be modeled?

g. In the construction of sectoral production functions, what should be the form of the equation, and what weights should be used for labor, capital, and other input factors? How should quality changes in inputs and embodied technical change be modeled? On what occasions has fixed capital been shifted from the books of one sector to those of another?

h. What role do actual profits play in the sectoral allocation of state investment?

i. In the relationship between investment and capital formation, what role is played by the given year within the five-year plan, i.e., first year, second year, fifth year?

j. In the modeling of consumer expenditures, what role should be played by consumer savings, and how should supply constraints be modeled?

k. In the modeling of agriculture, what weather indicators should be used and how should they be used?

l. In the modeling of foreign trade, what should be the major determining variables and their relationship to imports and exports? How are world market prices translated into domestic Soviet prices?

m. To what extent are tax rates used as policy instruments by government?

Economic Questions

1. New steps in international detente and in Soviet-American relations.
2. The changed situation in world raw material markets and problems of supplying the U.S. with raw materials from external sources.
3. The world energy problem and its significance for Soviet-American economic relations. American policy of self-sufficiency in energy.
4. The problem of inflation
5. The present phase of the business cycle in the west; the condition of the U.S. economy and Soviet-American trade.
6. Specific problems of Soviet-American economic relations
 - a. The trade bill of 1974 and MFN
 - b. Ways in which Soviet goods can establish themselves in the American market
 - c. State and private financing of trade
 - d. The infrastructure of trade
 - e. "loose trade" between the pacific coast (of the U.S.) and the Soviet far east
 - f. How do U.S. firms envisage long-term large scale collaborations
 - g. The possible role of small and medium-sized business
 - h. Economic problems of compensation deals (barter deals) and joint production
 - i. Joint action in third country markets
7. Prospects of a new round of negotiations in GATT and IMF
8. The world economic problem; its significance for Soviet-American economic relations
9. The attitude of the U.S. toward the decisions of the VI Special Session of the UN General Assembly

Appendix E

ORGANIZATION OF IUSA AND IMEMO

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Appendix E

BRIEF DESCRIPTIONS OF THE PARTICIPATING SOVIET INSTITUTES

The Institute of World Economy and International Relations

This institute of the Soviet Academy of Sciences, known by its Russian acronym as IMEMO, was organized in 1956 from Varga's Institute of the World Economy. Its ten departments and four independent sectors are organized along both regional and problem-oriented lines (see organization chart below). The director of IMEMO is Academician Nikolai Nikolaevich Inozemtsev, a candidate member of the Central Committee of the CPSU and a deputy to the Supreme Soviet. The deputy directors are Professor Primakov (now a corresponding member of the Academy), Professor Martynov, and Professor Aboltin.

IMEMO publishes a monthly journal, *Mirovaia Ekonomika i Mezhdunarodnyie Otnosheniia* (World Economy and International Relations), with a circulation of 50,000, a political/economic international year-book, *Mezhdunarodnyi Politiko-Ekonomicheskii Yezhegodnik*, and produces about 30-35 monographs a year. Although over 80 percent of the budget for research is, by statute, from the Academy, the institute does undertake some contract research. Recently, IMEMO has contributed to the preparation of both the next five year plan and the fifteen year perspective plan for Gosplan. Other IMEMO clients include the Central Committee, the Ministry of Foreign Trade, and the Ministry of Foreign Affairs.

IMEMO has a staff of about 500, including 250 Candidates of Science and 60 Doctors of Science. About one-fifth of the staff are in the general information division which serves the other nine departments and four independent sectors. The table of organization which follows indicates the departments and those sectors which we have identified.

The names of heads of departments and sectors are also indicated where we have been able to ascertain them. Superimposed on this organization are intersectoral task forces formed to deal with particular problems and disbanded upon completion of projects in that problem area. Outside experts may be consulted in connection with work in particular problem areas. There are also scientific councils which review the work of the institute—one on general considerations, several on specific problems. There are also three standing commissions: on the Institute's five year plan, foreign economic ties, and education and labor problems.

Much cooperation is conducted on problem areas between IMEMO and the Institute for the USA and Canada and the Institute for the Economy of the World Socialist System. IMEMO is the oldest of the three institutes and considers itself the primary institute in any joint undertaking.

The Institute for the Study of the USA and Canada

Known by its English acronym IUSA or its Russian acronym ISShA, this institute of the Soviet Academy of Sciences was organized in 1968. The director is Georgiy Arkadyevich Arbatov, an Academician since November 1974. There are three deputy directors: Dr. Shershnev for economics, Dr. Zhurkin for politics, and Dr. Vagin for administration. The department for Canadian studies was formed and Canada added to the title of the institute in October, 1974. The institute publishes the journal USA: Economics, Politics and Ideology, which has a monthly circulation of 34,000 and in addition has published about 40 books.

The staff of the institute numbers about 270 and is rather young, with an average age of 29. There are about 20 aspirants (graduate students) at the institute each year. Organized into six divisions and numerous sectors (see following chart identifying what is our knowledge of the organization and staffing of the institute), the four main areas of concern for the staff are U.S. Foreign Policy, Social, Domestic Political,

and Ideological Problems in the United States, the Examination of the U.S. Economy and Management Systems, and Canadian Studies.

The scientific council of IUSA formulates its annual research plan which must be approved by the Academy of Sciences (it was stated that a research plan has not been rejected to date). There is a separate council which formulates the institute's five year plan.

The institute is participating in the current work on the Tenth Five Year Plan and the Fifteen Year Perspective in connection with research on U.S.-Soviet economic interaction and forecasts of the long-range development of the American economy. As in other institutes of the Soviet Academy of Science, the major part of the research is carried on and sponsored by the Academy, although contract research is undertaken for other organizations. The demand for the latter type of research is growing, but the Academy must, by statute, provide the majority of the research budget.

Appendix F

DISCUSSION ON THE MIDDLE EAST

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Appendix F

DISCUSSION ON THE MIDDLE EAST

by Dr. Richard Pipes

In the last week of September 1973 I went to Moscow with a 14-man delegation of specialists on the Soviet Union to a conference organized by the Strategic Studies Center (Stanford Research Institute) of Washington, D.C. Our Russian counterparts were the Institute for the Study of the USA (ISSHA) and the Institute of World Economics and International Relations (IMEMO), both of the Soviet Academy of Sciences. The subject was detente. Our discussions ranged widely, and one afternoon we talked in plenary session about the Middle East. In response to a statement of the Soviet position I delivered myself of an "uninhibited" critique of Soviet and Arab actions in that part of the world. Later, E. M. Primakov, Deputy Director of IMEMO and a leading expert on the Arab Middle East, asked me to have a private talk. We were joined by an observer at the conference who was introduced to me as General Nemchenko, the man who in 1954-55, as Soviet military attache in Cairo, had arranged for the first Soviet-Egyptian arms deal. The talk, which took place in the afternoon of September 27th, lasted about 45 minutes, and it would have lasted longer but for G. A. Arbatov, the head of ISSHA, who came into the room and asked us to rejoin the conference. Throughout, Primakov was very excited and seemed rather apprehensive about the future of the Middle East, whereas Nemchenko appeared supremely confident. One of the very few comments he made was that just as in 1954, when Arabs were anti-Communist, so today "the objective factors of the situation favor the Soviet side," i.e., the Arabs, for all their flirting with the USA, will ultimately have no choice but to come to Russia for arms and diplomatic support.

The principal points which were made (mostly by Primakov) can be summed up as follows:

1. The situation in the Middle East is fraught with dangers: unless Israel agrees to the resumption of the Geneva Conference and the establishment of an Arab-Palestinian state on the West Bank, there will be war. Giving the West Bank to the Jordanians will preclude peace forever.

2. Israel is indubitably stronger now but in the long run the Arabs will gain.

3. There is nothing wrong with Israel coming under a joint American-Soviet protectorate.

4. The USSR is the moderating influence in the Middle East: while the USA rushed to replenish Israel with all advanced weapons after the October War, the USSR went easy, especially in regard to Egypt. The MIG-23 does not represent an escalation because it is merely a counterpart of the PHANTOM.

5. The Russians are paying the penalty for their prudence in that the Egyptians are now angry with them. When in reply I suggested that the Egyptians attack the USSR because, having realized that the Americans alone can apply the necessary pressure on Israel, they are trying to ingratiate themselves with the USA, there was no answer. I then pressed the point and said the Arabs were treacherous and would not show them any gratitude for their aid; there was no reply either. This was the only time in the conversation when the two Russians had no ready reply, and I had the distinct feeling that a sore point had been touched.

6. Why does Israel not recognize the Soviet Union's legitimate interests in the Middle East? Why has it cold-shouldered Soviet attempts to reopen diplomatic negotiations? This point was made with visible emotional stress.

7. Both Egypt and Syria had limited objectives in mind in the October war: capture of Suez and the Golan Heights, nothing more.

8. If a Palestinian state is created, its leaders will inevitably become more responsible and moderate than the Arab-Palestinian refugees appear: in other words, political responsibility will exert a moderating influence on them. Primakov said he knows personally all the guerrilla leaders and shrugged off as ridiculous any attempt to take seriously their "Marxist" or other radical ideology.

9. I do not understand, Primakov said, why the Israelis, who are so intelligent, do not agree to cede all the conquered territories and then pose "one hundred conditions" as their price. Why are they so negativistic? The perplexity seemed genuine.

10. The Soviet Union can under no conditions allow the destruction of the state of Israel. Why? Because "this would spell the end of Communism." The point was not elaborated upon but presumably what he meant was that the international prestige of the USSR would sink to zero if it were party to a massacre of the Jewish population of Israel.

This conversation, and other incidents during the conference, gave me the impression that there exists in the USSR a sharp division of opinion among the leaders about Russia's Middle Eastern policies, and no little nervousness about it. The self-assured calm of the military officer and the agitation of the political expert might be suggestive of how the parties divide themselves.

Appendix G

COMMENTS ON THE "OLD BOY" NETWORK OF THE INSTITUTE OF
INTERNATIONAL RELATIONS, MOSCOW

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Appendix G

COMMENTS ON THE "OLD BOY" NETWORK OF THE INSTITUTE OF
INTERNATIONAL RELATIONS, MOSCOW

by Harriet Fast Scott

A. In October, 1974, the Moscow State Institute of International Relations of the Ministry of Foreign Affairs, USSR (MGIMO, MID, USSR) celebrated its 30th anniversary. A U.S. scholar attending the celebration noted that there were very strong ties between the graduates of the Institute. Graduates are found in the research institutes of the Academy of Sciences, the Ministry of Foreign Affairs, departments of the Central Committee, especially the International Department, and with the U.N. and its institutions, as well as in press and media representation at home and abroad.

This close group of "internationalists" form a very influential clique in Soviet international affairs. It is noted that many sons and daughters of top Soviet officials have attended this school.

B. Some of the better known graduates are:

1949:	Academician N. N. Inozemtsev	- Director of IMEMO ¹
	Professor Georgiy Arbatov	- Director of IUSA&C ²
	V. V. Zagladin	- Deputy Chief, International Department, Central Committee
	Yu. A. Shvedkov	- Head of a Sector, IUSA&C
1950:	Yu. I. Bobrakov	- Head of a Sector, IUSA&C
1951:	V. V. Zhurkin	- Deputy Director, IUSA&C
	Henry A. Trofimenko	- Head of Department of U.S. Foreign Policy, IUSA&C
	Dr. Dzhermen M. Gvishiani	- Deputy Chairman, State Committee on Science and Technology

¹ IMEMO stands for "Institute of World Economy and International Relations."

² IUSA&C stands for "Institute of United States of America and Canada."

V. N. Krestyanov
Anat. A. Gromyko

- Scientific Secretary, IUSA&C
- Deputy Chief of Mission,
Soviet Embassy, Washington, D.C.
- Head of a Sector, IUSA&C

1952: A. K. Kislov

C. From 1947 to 1952, the Soviet Ambassador to the United States, Anatoliy F. Dobrynin, was an instructor at this Institute. His influence on all of the above named graduates as their former instructor could be significant.

D. On the following pages are biographies of the above named graduates of the Moscow State Institute of Internal Relations.

Class of 1949:

INOZEMTSKY, NIKOLAI NIKOLAYEVICH, Director of the Institute of World Economy and International Relations of the Academy of Sciences, USSR, Doctor of Historical Sciences, Professor, Academician of the Academy of Sciences, USSR. Born in 1921 in Moscow. Participant in the Great Patriotic War. In 1949, finished the Moscow Institute of International Relations. Author of the books American Imperialism and the German Question 1945-1954; U.S. Foreign Policy in the Epoch of Imperialism; Contemporary Capitalism: New Phenomena and Contradictions, Editor-in-Chief of the series International Relations after the Second World War, and others. Author of a number of articles on international relations.

ARBATOV, GEORGIY ARKAD'YEVICH, Director of the Institute of the USA of the Academy of Sciences, USSR, Doctor of Historical Sciences, Professor, Corresponding Member of the Academy of Sciences USSR. Born in 1923 in the city of Kherson. Participant in the Great Patriotic War. In 1949, finished the Moscow Institute of International Relations. Author of the book The Ideological Struggle in Contemporary International Relations. Co-author of the books Fundamentals of Marxism-Leninism (edited by O. Kuusinen), Scientific-Technical Revolution and Tendencies of U.S. Foreign Policy, Communism and the World Revolutionary Process, The Nixon Doctrine, and others. Author of a great number of articles on central problems of contemporary international relations, U.S. foreign policy and Soviet-American relations.

ZAGIADIN, V. V., Deputy Head of the International Department of the Central Committee, CPSU. Born in 1927. Finished the Moscow State Institute of International Relations in 1949. Aspirant in 1952. Instructor, then Senior Instructor at the Institute above 1952-54. 1955 joined the Communist Party. 1954-64, editorial work on magazine New Times. 1957-60--Secretary of the editorial board and also with Problems of Peace and Socialism. 1961-64--with Problems of Peace and Socialism in Prague. 1964--in the Central Committee apparatus. February 1967--Deputy Head of International Department. 1970-73--on editorial board of USA magazine. 1971--selected as a member of the Central Auditing Commission at the XXIV Party Congress. Candidate of Historical Sciences. Editor of the book The World Communist Movement.

SHVEDKOV, YURIY ALEKSANDROVICH, Candidate of Historical Sciences, Head of the Sector of General Problems of U.S. Foreign Policy. Born in 1927 in Moscow. Finished the Moscow State Institute of International Relations of the Ministry of Foreign Affairs, USSR, in 1949. Co-author of the following works: Monopolistic Capital of the USA after the Second World War; Military Bases of the USA; USA: Foreign Policy Mechanisms; The Nixon Doctrine; The USSR and the USA. Their Interrelationship in the Modern World. Author of a large number of works on questions of the functioning of the foreign policy mechanism of the USA, and political questions of Soviet-American relations.

Class of 1950:

BOBRAKOV, YURIY IVANOVICH, Candidate of Economic Sciences, Head of a sector on State-Monopoly Capitalism in the USA. Born in 1928 in Leningrad. Finished Moscow State Institute of International Relations of the Ministry of Foreign Affairs, USSR in 1950. Author of the books and brochures The U.S. Economy in the Labyrinth of Contradictions, U.S. Imperialism in the Period of Decline, The Federal Reserve System of the United States, and also a great number of articles on the problems of modern state-monopoly capitalism of the USA.

Class of 1951:

ZHURKIN, VITALIY VLADIMIROVICH, Deputy Director of the Institute of the USA of the Academy of Sciences, USSR, Candidate of Historical Sciences. Born in 1928. In 1951, finished the Institute of International Relations. Worked for the press and in the Ministry of Foreign Affairs USSR. Editor and co-author of the books Nixon Doctrine, International Conflicts, USA: Scientific-Technical Revolution and Tendencies of U.S. Foreign Policy, and others. Member of the executive committee of the Soviet Association for U.N. Cooperation, member of the board of the Soviet Association of Political Scientists.

TROFIMENKO, GENRIKH ALEKSANDROVICH, Doctor of Historical Sciences, Head of the Department of US Foreign Policy. Born in 1929 in Bryansk. Finished the Moscow State Institute of International Relations of the Ministry of Foreign Affairs, USSR, in 1951. Author of the books The Strategy of Global War, USA: War, Ideology and Politics (to appear in 1975), and also author of a large number of articles on questions of limitation of strategic armaments and on a number of questions of U.S. foreign policy.

GVISHIANI, D. M., Deputy Chairman of the State Committee for Science and Technology. Soviet philosopher-sociologist, corresponding member of the Academy of Sciences since 1970. Joined CPSU in 1951. Doctor of Philosophical Sciences (1969). In 1951, graduated from the Moscow Institute of International Affairs. From 1951 to 1955 in Soviet Navy. From 1955-65, on the State Committee for Science and Technology, Deputy Chairman since 1965. Since 1969, simultaneously Head of a laboratory of the Institute of Sociological Research of the Academy of Sciences. Author of monographs Organization and Management, Sociology of Business, Social Role of Science and Scientific Policy. From 1960-68 was an instructor on the philosophical faculty at Moscow State University.

KREST'YANOV, VLADIMIR NIKOLAYEVICH, Scientific Secretary of the Institute of the USA, Senior Scientific Worker. Born in 1921 in Moscow. Finished in 1951 the Moscow State Institute of International Relations of the Ministry of Foreign Affairs, USSR.

Class of 1952:

KISLOV, ALEKSANDR KONSTANTINOVICH, Candidate of Juridical Sciences, Head of the Sector of U.S. Middle East Policy. Born in 1929 in Moscow. In 1952, finished the Moscow State Institute of International Relations of the Ministry of Foreign Affairs, USSR. Author of a large number of articles on U.S. policy in the Middle East.

Appendix H

SOVIET VIEWS ON THE SCHLESINGER OPTIONS--EXPRESSED IN MOSCOW IN
SEPTEMBER 1974, DURING AN SRI-IMEMO/IUSA CONFERENCE

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Appendix H

SOVIET VIEWS ON THE SCHLESINGER OPTIONS--EXPRESSED IN MOSCOW IN
SEPTEMBER 1974, DURING AN SRI-IMEMO/IUSA CONFERENCE¹

by Harriet Fast Scott

From 24 September through 27 September 1974 a group of U.S. scholars were in Moscow under the auspices of the Stanford Research Institute attending a seminar sponsored by the Soviet Academy of Sciences. Two major Soviet research institutes were hosts--the Institute of World Economy and International Relations (IMEMO) and the Institute of the USA (IUSA). The seminar was "On Problems of Contemporary Relations, USA-USSR." In attendance were 14 American and about 30 Soviet specialists on strategic and economic problems of the two countries.

One large area of discussion dealt with the problem of preventing nuclear war. In the course of the 4-day talks, the Schlesinger doctrine was brought up and commented upon by many of the Soviet participants. These comments represent some of the most recent thinking of Soviet defense-intellectuals on this subject, and are summarized as follows:

- The discussion of flexible use of strategic armaments is for the purpose of gaining an advantage at [SALT] negotiations.
- If the only purpose of detente were to prevent nuclear war, then rules of civilized warfare could be worked out.
- The Schlesinger doctrine seeks to broaden opportunities but to avoid general war, to make nuclear war respectable at levels lower than general conflict, lower than general war.
- At lesser levels there are opportunities. The United States seeks them. The United States wants victory and not deterrence.

¹ Extracted from SSC-TN-3510-4 "Input Paper to Study of Soviet Controlled Conflict" by Harriet Fast Scott, prepared for General Services Administration, Contract AP-74-3.

- The Schlesinger doctrine has two goals: (1) intimidation, and (2) internally to create the impression that it will not lead to mutual destruction.
- The Schlesinger doctrine is an attempt to achieve a new result through exact technology. This could cause a spiral in the arms race which would be contrary to SALT.
- It would stimulate a qualitative arms race since it reinforces the idea that limited use could bring some political advantage.
- The Schlesinger doctrine is a kind of duel. It is a duel with pistols aimed only at the right hand and not at the heart. But talks at this seminar do not reach the ears of those who know where the missiles are aimed. They will not aim at the right hand. They will aim at the heart.
- Soviet doctrine is for worldwide war, not limited strategic war.
- Flexibility, according to Schlesinger, will decrease the danger of all-out nuclear war. But it may have just the opposite effect.
- Soviet scientists are very worried about this new doctrine of launching a few strikes against some objectives. Why exact strikes? 5 or 10 would not weaken us. Why surgical strikes? No harm if 5 or 6 military objectives were hit.
- If the Schlesinger doctrine will help avoid war, then does he think that the Soviet Union must accept such a doctrine and have its own selective destruction doctrine?
- Suppose there were a limited number of Soviet strikes. What would the U.S. reaction be?
- If a few bombs were dropped, would the response be rational? No escalation?
- It would be hard to reach a conclusion whether the strike was limited or not.
- The primary anxiety of the USSR is that the U.S. is trying to secure some advantage in strategic systems in the 1980s.
- Soviet weapons, that is the true goal, the hidden goal is to have counterforce capability, to make it a first strike, to disarm the other side.
- No matter how disguised it is, it is the first strike.

The first Soviet speaker, a disarmament specialist, began immediately to discuss the future possibilities for reducing the military danger. He linked the agreements already reached at SALT I and at the Summit meetings with the need to make permanent the provisional agreements of SALT I. Before this could be done, he said, there should be a maximum restraint in unfolding new systems while negotiations are under way. The principle of equal security should be the basic criterion. But there are conservative U.S. military/political specialists who continue traditional lines of approach. Senator Jackson's position affects the political situation. Secretary of Defense Schlesinger's "essential parity" does not coincide with true equality and equal security. These terms need to be defined, he stressed.

There is a tendency to a resurgence of rejected views at SALT. There is an attempt to gain certain military advantages by discussing theoretical problems of the flexible use of strategic armaments. This is to give an advantage at the negotiations. A seeking for partial supremacy will not facilitate negotiations.

The speaker went on to urge that there be no hurry at SALT, neither side, he felt, would lose or gain very much by slowing down and having more discussions. The general relaxation was good for SALT. Today, two contradictory processes are growing—detente and the arms race. There is a two year deadline in reaching a new agreement. Beyond that, the situation can become more acute. Either an arms race or relaxation, the contradictions must be dissolved. We have reached the stage of political problems of detente. These problems must be focused on, there must be equal parity, political input to insure equal security. The central task is to agree to measures to limit strategic armaments. There is a definite danger if the arms race continues. The agreement to prevent war has slowed down the arms race. But both sides must understand the need for mutual restraint.

One of the American speakers explained the fact that the United States was not concerned with decisive superiority so much as with a margin of

superiority, as Schlesinger said, a psychological superiority in the eyes of third powers. A second Soviet speaker asked if "margin of superiority" caused concern as doctrine or as a perception of one country by another. The answer was that it did both. Perception by third powers of relations between the superpowers has a psychological effect and might be politically useful. If it became doctrine, it could be the basis for political aggression. It could lead to the taking of initiatives, the making of threats. It would be hard to change when it became built in. No actual use of force was needed, the shadow was enough.

A foreign policy expert from the Institute of the USA noted that over the past two and one-half years a communality of interests had been built up. Detente is a process, not a final goal. The final goal is a reliable peace. If detente were only to prevent nuclear war, then rules of civilized warfare could be worked out. The American proposals are not always clear—should there be peaceful coexistence with the exclusion of weaponry or will there be the military games implied in the new Schlesinger doctrine? Preventing such wars by improving methods of warfare is different from the USSR approach to detente. United States is trying to use trade to gain one-sided advantage. The Soviet speaker suggested a discussion and explanation of how the United States understands the laws of mutual security.

A military/political specialist of IMEMO, a former Army colonel, was next to speak on the Schlesinger doctrine. He began by noting that much had been achieved in reaching a system of international security. But he saw contrary ideas arising in Western literature on military/political questions of security. A great deal has been achieved in limiting strategic weapons but the arms race continues. The differences are very great. There is a threat of nuclear war at lower levels. Mininukes are still seen in the United States as a means of solving problems. The problem of parity as a precondition for equal security has doubtful value. Protection from first strike is guaranteed, but at lower than global scale there is a desire to achieve a one-sided advantage. Theoretically it is possible to have nuclear conflicts at lower levels. Certain circles see in this a chance for political maneuvering.

for exerting pressure in a crisis, to gain military-political advantages. The speaker invented the term non-adequate parity at lower levels to describe this situation. It is the sum of tendencies in strategic and technical programs. The Schlesinger doctrine seeks to broaden opportunities but to avoid general war. It contains elements to try to make nuclear war respectable at levels lower than general conflict, lower than general war.

Due to schematic differences, the Schlesinger doctrine hides certain dangers for the other side: is the strike [which has been launched] a limited strike or the beginning of a larger strike? This is a complex military-political question. It would be hard to reach a conclusion whether the strike were limited or not. It likewise stimulates a qualitative arms race since it reinforces the idea that limited use could bring some political advantage. There is a tendency in the United States to keep one cycle ahead of the other side within the qualitative parameters of strategic nuclear weapons. It creates the impression that in the 1980s the United States will get ahead. There is a definite tendency in the American press to urge the achievement of technical superiority in modern weapons, to get a unilateral advantage. We must understand the principle of balance of forces. There must be a correct understanding of the comparative essence of parity.

The former colonel, a doctor of historical sciences, was also concerned that the United States and the USSR had different concepts of international security. One side saw collective security while the other saw deterrence. There would either be armed confrontation on a global scale or collective security. There was a danger. New strategic armaments which could disrupt the balance must be prevented. Deterrence is an American idea of military confrontation where neither side has the advantage. At lesser levels, there are opportunities. The United States seeks them. The United States wants victory and not deterrence.

The next speaker stressed that there cannot be victory without war. We live on one planet. It is clear that it will be suicide for the one who attempts to solve contradictions by war. One accident would be a catastrophe.

A doctor from IMEMO was blunt. If the Schlesinger doctrine will help avoid war, then does he think that the Soviet Union must accept such a doctrine and have its own selective destruction doctrine?

Then another speaker, a former admiral, compared the new Schlesinger doctrine to a kind of duel. The pistols only hit the right hand, not the heart. The Schlesinger doctrine has attractions. It explains the exactness of American missiles. The layman sees such a nuclear war as not so dangerous since only nuclear pads will be hit. The admiral was upset that the discussion was centering on targeting. Why were we discussing how to fight when we should be discussing ways how not to fight? Targeting was an internal question anyway. It was the task of the military. The talks at the seminar do not reach the ears of those who know where the missiles are aimed. They will not aim at the right hand. They will aim at the heart.

One of the scientists from IUSA was puzzled at the reappearance of a counterforce doctrine. It had first appeared in 1962 and been abandoned in 1963 because it looked like a first-strike doctrine. The United States then went to second strike. Why the return to counterforce in 1974?

Another doctor from IMEMO felt that the Schlesinger doctrine was an attempt to achieve a new result through exact technology. This would cause a spiral in the arms race which would be contrary to SALT.

A former colonel on the staff of IUSA noted that the future of detente depended on the correct understanding of strategy, particularly nuclear strategy. The origin of the Schlesinger doctrine appears to be the idea that the Soviet Union intends to make limited strikes and the United States must react. There has never been any limited counterforce strikes in nuclear war in Soviet military literature. The Soviet doctrine is for worldwide war not limited strategic war. This sort of doctrine facilitates detente. The new U.S. strategy has not been met favorably by political and strategic critics. Detente's goal is to prevent nuclear war. A treaty was signed to prevent any kind of nuclear war, limited or unlimited. But

the United States seems to see it differently. The agreement allows limited nuclear war, permits striking military objectives. If this is the American approach then it is a deviation from the agreements.

Flexibility, according to Schlesinger, will decrease the danger of all-out nuclear war by preventing war in a different form. He thinks it will strengthen the agreement. However, it may have just the opposite effect. If a few bombs are dropped will the response be rational? No escalation? There are no such guarantees. Suppose there were a limited number of Soviet strikes on the United States. What would the U.S. reaction be? The USSR is against any form of nuclear war. In the preventive use of nuclear weapons, the United States sees nuclear weapons as conventional. In time the United States will get used to the idea of preventive nuclear war, according to this theory.

Soviet scientists are very worried about this new doctrine of launching a few strikes against some objective. Why exact strikes? 5 or 10 would not weaken us. Why surgical strikes? No harm if 5 or 6 military objectives were hit. But Soviet weapons, that is the true goal, the hidden goal is to have counterforce capability, to make it a first strike, to disarm the other side. Grechko was quoted on the fact that if war starts, military objectives will be hit. This is not counterforce ability, it is a means of solving the main tasks of war. We are against limited war and counterforce is limited war. There will be an unrestrained race for counterforce weapons. What is the alternative to the Schlesinger doctrine? That is an internal U.S. affair. There is a debate over it at the moment. We are against any nuclear war. We reject such a strategy. We should decrease weapons. The ex-colonel, who has an advanced degree in military science, concluded his remarks by expressing his personal opinion that the nuclear war agreement should be supplemented to include prevention of nuclear clash in any form, including limited nuclear exchange.

An IUSA former diplomat expressed dismay that the Schlesinger doctrine appeared just as the entire world saw the impossibility of nuclear war for

both sides. Here was limited local nuclear war. This is not only a deviation from the agreements, this is an attempt to involve the Soviet Union in a new arms race. The Schlesinger doctrine has two goals: one, to intimidate. This has never been successful in the history of Soviet-U.S. relations. And, two, internal. To create the impression that it will not lead to mutual destruction, to create conditions for a new arms race. I agree with my colleague, he said, it is first strike. No matter how disguised it is, it is first strike. The strikes will not be against empty silos. There is a third aspect: it increases the number of objectives and therefore requires a larger number of rockets. This will set off a new arms race.

The next speaker, a former naval captain, saw in the Schlesinger doctrine a hidden desire to secure superiority at lower than the level of total nuclear war.

In summing up his ideas, the military/political expert from IMEMO admitted that the USSR has certain military/political anxieties. Technical advantage is important in the competition and the primary anxiety of the USSR is that the United States is trying to secure some advantage in strategic systems in the 1980s. Inadequate parity, he again stressed the word he had coined, as the Soviet Union gets parity, the United States sees it as a threat. The U.S. program of the 1980s is to restrain MIRVs and get superiority by one cycle. There is another concern besides parity, this is the declarational policy to improve missile forces.

Appendix I

POSSIBLE JOINT RESEARCH PROJECTS--PROBLEM STATEMENTS

Appendix I

POSSIBLE JOINT RESEARCH PROJECTS--PROBLEM STATEMENTS

A. Introduction

At the conclusion of the second symposium while still in Moscow, the SRI/SSC participants prepared draft problem statements regarding the suggested joint research projects, one on mutual perceptions and one on the east-west economic relations. These problem statements are presented below. Subsequently Dr. Margarita M. Maximova of IMEMO visited Washington in November 1974. Extensive discussions were held regarding the economic relations project with discussions of the mutual perceptions project deferred by IMEMO to IUSAC representatives. The revised problem statements were transmitted to the Soviet research institutes by a letter of 26 November 1974 to Professor Maximova. The correspondence and revised problem statements now referred to as study plans or outlines are included in this appendix.

1. Mutual Perceptions--U.S./USSR

The study would analyze mutual perceptions held by American and Soviets of intentions and purposes in the formulation of policy. The project would identify mutual perceptions of such items of strategic interest as strategic/political stability and the interaction of competition and cooperation in the Middle East. Differing perceptions of the nature of the global economic problem and characteristics of the evolving international economic system based on the "international division of labor" would also be treated.

2. New Forms and Institutions for Expanded East/West Economic Relations

The mechanisms and institutions we have for conducting business between socialist and market countries need revamping. The needed revamping of institutions and creation of new institutions pertain to the broad range of activities involved in international economic relations: trade, investment

projects, technology transfer, credit, and international trade organizations. While these activities are closely interrelated and in a number of ways overlap, the problems related to existing institutions and their possible revisions can in general be differentiated. For example, one of the major problems in straight trade agreements concerns the uneven bargaining process between competing firms from market economies, on the one side, and the state trading monopolies of the socialist economies on the other. In regard to international investment projects, the problems relate to rights in these projects over time, including rights to the income streams generated by these projects. Technology transfer problems are similar in nature to those of investment projects, but have additional elements related to the need for strengthening the direct role to be played by foreign technologists and managers themselves, which is so crucial in the successful international transfer of technology. One of the major problems in credit transactions, particularly with the Soviet Union, is the vast magnitude of the sums involved which require consortia of Western financial institutions and also the participation of governments. Finally, if East/West economic relations are going to grow significantly, then the participation of the socialist countries in such international trading organizations as GATT and IMF will have to be worked out. Areas of research might include:

- Differences in the two systems, i.e.,--ruble/dollar exchanges, discount rates on long-term investment, product pricing and material exchanges.
- Alternative new mechanisms for long-term investment.
- How should joint undertakings be organized?
 - What about ownership rights or alternative incentives for Western capital?
- New institutions to overcome the problem of state trading vs. competitors, to build confidence in long-term relationships, and to facilitate long-range planning.



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26 November 1974

Professor Margarita Maximova

Doctor of Economics and Head of the

Department of External Economic Problems of Capitalism

Institute of World Economics and International Relations

Academy of Sciences of USSR

13 Yaroslavskaya Street

Moscow, 1-243

U.S.S.R.

Dear Professor Maximova:

Enclosed are five copies of the revised work statement on Study Plan: Joint Research Project, SRI/IMEMO/IUSAC/SCST, "U.S./USSR Economic Relations in Detente," dated 26 November 1974. We have tried to incorporate the results of our discussions yesterday in this revision.

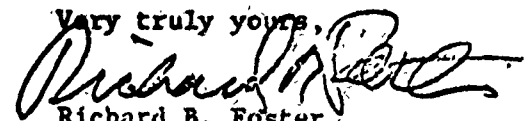
We have prepared a draft of a parallel joint research project on "Mutual Perceptions." I am enclosing five copies of this draft for review at IMEMO and at IUSAC. This draft is not intended to be an agreed work statement but rather is intended for discussion.

Also enclosed, at your request, are five copies of "Several Suggested Topics for Third Joint Symposium" to be held in California in 1975. We hope that this list will provide IMEMO and IUSAC with sufficient background material for preparation for our next symposium. We look forward to receiving a similar list from both IMEMO and IUSAC in the near future.

I spoke with Mr. Anderson today by telephone concerning our meeting. He asked me to reaffirm SRI's intention to proceed with joint research projects with IMEMO and IUSAC. However, a word of caution: We do not yet have in hand the funding from U.S. Government agencies or from private enterprises. We have confidence that such funding will be forthcoming now that we have an agreed work statement between our two research institutes.

Mr. Anderson and I join in extending good wishes to both Dr. Inozemtsev and Dr. Arbatov and to Dr. Gvishiani of the State Committee for Sciences and Technology of the USSR as well.

Very truly yours,



Richard B. Foster
Director

Enclosures

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STRATEGIC STUDIES CENTER

26 November 1974

STUDY PLAN: JOINT RESEARCH PROJECT
SRI/IMEMO/IUSAC

"U.S./USSR Perceptions of Selected Strategic Issues in Detente"

DRAFT FOR DISCUSSION

A. Purpose

The perceptions of the politico-strategic motivations and intentions which each superpower holds of the other is critical to the evolution of the U.S./USSR detente relationship as defined in the 29 May 1972 "Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics." The purpose of this joint project is to extend the dialogue between SRI and IMEMO and IUSAC through the preparation of a series of research papers written by U.S. researchers on the American perception of Soviet motivations and intentions with respect to select issues in detente, and papers written by Soviet researchers on the Soviet perceptions of U.S. motivations and intentions relating to the same issues. Such an exchange of views would assist in the elimination of "misperceptions" which may inhibit a further evolution of the U.S./USSR detente relationship.

The development of the research study plan explicitly takes into consideration the results of the discussions between representatives of SRI and the Soviet Academy of Sciences. Included are discussions of Mr. C. A. Anderson, President of SRI, Mr. R. B. Foster, Director, SSC, Mr. M. N. Earle, Senior Economist and Assistant Director, SSC, and Dr. H. S. Levine, Senior Research Consultant, SSC. Soviet participants in the discussions included Academician N. N. Inozemtsev, Director, IMEMO, Dr. E. M. Primakov, Deputy Director, IMEMO, Dr. G. A. Arbatov, Director, IUSAC, and Dr. V. V. Zhurkin, Deputy Director, IUSAC. All discussions have been based on the duality of SRI's relationship with the State Committee for Science and Technology via a cooperative agreement

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and the research relationship with IMEMO and IUSAC of the Soviet Academy of Sciences, and have taken into consideration that detente includes both matters of economic and political/strategic interests. Therefore, this study will be conducted concurrently with one on "U.S./USSR Economic Relations in Detente."

B. Approach

During the first year, the topics of high mutual interest and anticipated value contributing to a continuing politico/strategic dialogue will be identified and their scope delineated. From the list of high interest areas, three to five topics will be selected for preparation of "perceptions" papers. When completed, these papers will be exchanged and critiqued. The critique will also be exchanged. Finally, the value of a mutual exploration of strategic issues using a mutual perceptions approach will be assessed, and as appropriate the research design for Phase II formulated.

It is proposed that the project be formally initiated on 15 February 1975. Between now and 15 February the series of strategic issues to be discussed will be identified through an exchange of correspondence. A coordination meeting will be held in Moscow in late January or early February at which the topics to be addressed by the U.S. and Soviet participants will be discussed and decided upon and a schedule established for the exchange of papers. The progress of the research will be discussed at the next joint SRI/IMEMO and IUSAC symposium in July or August of 1975. In late 1975 or early 1976, a conference will be scheduled for Washington or Moscow at which time the results of the analysis will be reviewed and the research plan formulated for Phase II of the joint project.

Research in both countries will draw upon specialist expertise outside of the organizational limits of the institutes directly involved.

The level of effort envisioned by U.S. and Soviet participants for the first year of research is three to four man-years on each side. The objective of the second and subsequent years would be determined at the end of the first year of the study. In general, however, continuation

at a three to four man-year per annum level appears realistic. These levels of effort cover the participation of the primary research institutes and of supporting researchers from outside these institutes.

C. Research Coordination

A steering committee will be established within each country. For the U.S. it is anticipated that this will include representatives both from the public and private sectors and from the research community. A joint steering committee should also be established.

Mr. C. A. Anderson has delegated the Institute-wide responsibility for the joint project to Mr. R. B. Foster, Director, SSC.

Per the statements made at the September SRI/SSC-IMEMO and IUSAC Symposium, an initial Soviet steering committee will be established comprised of Academician N. N. Inozemtsev, and Dr. G. A. Arbatov. It is assumed that this steering committee will identify how coordination matters are to be handled.

D. Research Products

Three categories of research products are foreseen for the joint project. Published works for unlimited circulation might appear as a monograph, a book, or a collection of papers. Limited circulation implies that the papers are for the use of the respective governments. The categories and anticipated distributions include:

1. Joint papers in which there is agreement regarding the value of unlimited circulation of papers documenting views of a particular subject and respective comments on the other's views.
2. Joint papers, as above, but due to the subject material it is agreed to limit the circulation of the papers.
3. Separate papers where agreement is not reached or inputs prepared for the study by the separate research teams. Limited circulation.

The value not only of these specific products but also of the research process itself, both for long-term and short-term research interests, is acknowledged.



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Revised
26 November 1974

STUDY PLAN: JOINT RESEARCH PROJECT

SRI/IMEMO/IUSAC/SCST

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"U.S./USSR Economic Relations in Detente:

A. Purpose

The role of economics in the evolution of the U.S./USSR detente relationship is defined in the 29 May 1972 "Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics." Economics is, quoting from that document, one of the conditions "which promote[s] the reduction of tensions in the world and the strengthening of universal security and international cooperation." Moreover, "differences in ideology and in the social systems of the USA and the USSR are not obstacles to the bilateral development of normal relations based on the principles of sovereignty, equality, noninterference in internal affairs, and mutual advantage." Articles seven and eight relate specifically to economic relations. Subsequent to the 1972 Accords, a series of commercial government-to-government agreements between the United States and the USSR were signed.

The purpose of this joint research project is to identify and evaluate within the evolving detente framework the mechanisms, institutions and related aspects which would contribute to the expansion of economic relations. It is recognized that both sides will protect their national interest while seeking in detente the expansion of economic relations.

The development of the research study plan explicitly takes into consideration the results of the discussions between representatives of SRI and the Soviet State Committee for Science and Technology and the Soviet Academy of Sciences. Included are discussions of Mr. G.A. Anderson, President of SRI, Dr. W.B. Gibson, Executive Vice President, Mr. R.B. Foster, Director, SSC, Mr. M.M. Keric, Senior Economist and Assistant Director, SSC.

and Dr. H.S. Levine, Senior Research Consultant, SSC. Soviet participants in the discussions included Dr. D.M. Gvishiani, Deputy Chairman, State Committee for Science and Technology, Academician N.N. Inozemtsev, Director, IMEMO, Dr. E.M. Primakov, Deputy Director, IMEMO, Dr. G.A. Arbatov, Director, IUSAC, and Dr. V.V. Zhurkin, Deputy Director, IUSAC. All discussions have been based on the duality of SRI's relationship with the State Committee for Science and Technology via a cooperative agreement and the research relationship with IMEMO and IUSAC of the Soviet Academy of Sciences, and have taken into consideration that detente includes both matters of economic and political/strategic interests.

B. Approach

The approach of the first year of the project will focus on characterizing the existing forms and institutions of East/West economic relations, putting into proper perspective their respective strengths and weaknesses. Various alternatives for improving economic relations (mechanisms, institutions, and various cooperative agreements) will be identified. A limited number of high interest areas with respect to "obstacles" or promising areas for significant improvement in economic relations will be identified and evaluated in depth. During the first year the overall framework for the three to five year study will be established, but particular emphasis will be placed on developing products of immediate value to respective policymakers.

It is proposed that the project be formally initiated on 1 January 1975. Between now and 1 January a series of issues and obstacles papers will be identified through an exchange of correspondence. A coordination meeting will be held in Moscow in late January or early February at which the topics to be addressed by the U.S. and Soviet participants will be discussed and decided upon. In late April of 1975 draft papers will be exchanged for review. A meeting will then be scheduled for Washington in mid to late May 1975 at which time the papers will be discussed. At the conclusion of the May roundtable discussions, several areas will be selected for detailed study during the balance of 1975. In late 1975 or early 1976 a conference will be scheduled for Washington or Moscow at which time the results of the analysis will be reviewed and the research plan formulated for Phase II of the joint project.

Research in both countries will draw upon specialist expertise outside of the organizational limits of the institutes directly involved. In addition, the activities of such joint organizations as the US/USSR Economic and Trade Council will be taken into consideration in the expansion of the research plan and the conduct of the research itself.

The level of effort envisioned by U.S. and Soviet participants for the first year of research is eight (8) man-years on each side. The objective of the second and subsequent years is, respectively, fourteen man-years per annum. These levels of effort cover the participation of the primary research institutes and of supporting researchers from outside these institutes.

C. Research Coordination

A steering committee will be established within each country. For the U.S. it is anticipated that this will include representatives both from the public and private sectors and from the research community. A joint steering committee should also be established.

Mr. C.A. Anderson has delegated the Institute-wide responsibility for the joint project to Mr. R.B. Foster, Director, SSC. He will be assisted by Mr. M.M. Earle, Assistant Director, and Dr. H.S. Levine, Senior Research Consultant. They will work closely with Dr. W.B. Gibson, Executive Vice President and Mr. A.K. Beggs, Vice President and Director of the Economic Policy Department in the conduct of the research.

Per the statements made at the September SRI/SSC-IMEMO and IUSAC Symposium, an initial Soviet steering committee will be established comprised of Dr. D.M. Givshiani, Academician N.N. Inozemtsev, and Dr. G.A. Arbatov. It is assumed that this steering committee will identify how coordination matters are to be handled.

D. Research Products

Four categories of research products are foreseen for the joint project. Published works might appear as a monograph, a book, or a collection of papers. Limited circulation implies for the use of the respective governments. The categories and anticipated distributions include:

1. Joint papers documenting areas in which research teams on both sides are in agreement, or documenting respective views of a particular subject. Unlimited circulation.
2. Joint papers as above but due to the subject material, intended for limited circulation.
3. Separate papers where agreement is not reached or inputs to the study by the separate research teams which are of a technical nature, such as legal analyses, etc. Limited circulation.
4. Papers done separately by the two research teams in areas where no agreement on policy or subject material is reached. These papers would be an input to later stages of the research project. It is envisioned that a considerable part of the research devoted to exploring difficult problem areas would fall into this category.

The value, not only of these specific products, but also of the research process itself, both for long-term and short-term research interests is acknowledged.



STANFORD RESEARCH INSTITUTE

SRI Washington Field Office - 1133

STRATEGIC STUDIES CENTER

25 November 1974

SEVERAL SUGGESTED TOPICS FOR THIRD JOINT SYMPOSIUM

The following topics were suggested for discussion at the third Joint SRI/INEMO/IUSA symposium by R. B. Foster at the request of Professor M. M. Maximova:

1. Progress on both joint research projects. We should consider, at the symposium, the findings to date, obstacles encountered, and research to follow for the projects on "Soviet-American Economic Relations..." and on "Mutual Perceptions."
2. The Middle East as a zone of danger in its strategic, economic, and political dimensions. This should be regarded as a continuing topic for our research dialogue, one of great importance to Soviet and American relations.
3. The impact of the changing Western economic system on global relations.
 - a. The dangers of inflation and economic collapse.
 - b. The growth of multinational economic institutions.
 - c. The problem of soaring revenues for oil producers and soaring outlays for oil consumers.
4. The extent to which the USSR sees its self-interest in Western economic stability.
 - a. U.S.-USSR relations and their impact on global economic stability.
 - b. The relationship of strategic arms limitation agreements and economic/trade relations.
 - c. Discussions of different concepts of "stability" and theories about the evaluation of the global political/economic system.

Appendix J

POSSIBLE PARALLEL RESEARCH PROJECTS--PROBLEM STATEMENTS

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Appendix J

POSSIBLE PARALLEL RESEARCH PROJECTS--PROBLEM STATEMENTS

At the conclusion of the second annual symposium, discussion was held on the desirability of undertaking research on items of mutual interest in a "parallel manner." By that it is meant that the respective research institutes would explore subjects such as those presented below as part of the independent pursuit of respective research program objectives. Informal discussions could then be held at the third annual symposium in June 1975 regarding research results, methodologies, etc., relating to these subjects. No formal agreement was reached pertaining to the pursuit of these "parallel" research projects. It was agreed, however, to discuss them as possible agenda items during the preparation of the third symposium agenda.

1. Econometric Modeling as a Scientific Approach to Understanding Economic Structures and Processes

This involves the development of a 20-25 year forecast using both formal econometric modeling techniques and other techniques. Along with economic indicators, political and social variables will be considered in formulating the forecasting model. The model would be used to develop various scenarios encompassing different assumptions about exogenous variables.

2. Econometric Modeling and Methodologies to Increase Understanding of Economic Interaction

This project concerns work on the short and medium term model of the Soviet economy that SRI and Wharton Economic Forecasting Associates are now building. We would profit from help in interpreting and clarifying published Soviet data and comments on model specifications. In return we could share results and enable the Soviet institutes to run their own simulations with the model.

3. Research on Approaches to Disarmament Through Budgetary Reductions

Leaving aside the issue of the relative size and structure of U.S.

and USSR military expenditure, the research would focus on the following theoretical and methodological problems:

- Typology--the dimensions and characteristics of military expenditure limitations and their combinations.
- The effects of various types of military expenditure limitation on the force posture and security of participants, possible restructuring of budgets after agreements constraining total military expenditure (with or without physical limitations), and the specification of likely options and evaluation of their contribution to the stability of military balances.
- The meaning and measurement of military expenditure, the problem of bounding the military sector, its inputs and outputs, and appropriate methods for disaggregating output and input.

4. Petrodollars and Their Relation to the Stability of International Economic Order

The problem of absorbing the huge earnings of Middle Eastern oil producers must concern CMEA countries as well as oil consumers in the West. Since the problem cannot be solved on current account, the solution must involve providing investment outlets for the earnings of these countries. We might consider in parallel research new institutions, instruments and forms of guarantee that would defuse this problem. In lieu of accepting private investment, the Socialist countries might consider an analog to the IMF oil fund.

5. Research on Strategic Terminology

The lack of mutual understanding of key concepts in U.S. and USSR discussions of strategic issues limits research dialogue. A mutually agreed on list might be considered to compile two lexicons of strategic terminology to clarify the concepts employed by the two research communities.

6. Nonproliferation

This is a key area which was not addressed in symposium discussions. The Non-Proliferation Treaty is due for review in 1975. We should seek "mutual approaches" to the problem by research on key safeguards and export limitation problems.

7. Codification of Terms of Restraint in Political Competition

This would be an effort to work toward an understanding of what this provision in the Basic Principles means operationally. Perhaps we could proceed via a case study of the steps leading to the October War in the Middle East, and a retrospective analysis of perceptions and communications at this time. Research could also incorporate a general study of crisis behavior.

8. Conventional Arms Limitation

Research would focus on three sets of problems:

- Problems of reduction of general purpose forces, forces in the European theatre, and reduction of forces in tandem with military budget reductions.
- Problems of regional arms limitation agreements.
- Problems of limiting arms transfers and sales of weapons--either by category of weapon, by numbers, or both--especially agreements to limit arms transfers to the Middle East.

9. Strategic Arms Limitation

Although this is a political problem, the researcher's task is to study the technical aspects for a possible basis for agreement, to be available to help when the political leadership is ready. The questions for study:

- The definition of parity.
- The meaning of equal security in practice
 - Congruence is an asymmetrical balance.
- Possible steps in disarmament
 - Hold an equal number of launchers with freedom to mix
 - Agreed reductions per year within established categories
 - Agreed limitations on MIRV deployments
 - Limitation on flight testing.

10. Symmetries in Military Planning Processes

Research on planning processes in the U.S. and USSR as it relates to mutual "mis"perceptions.

Appendix K

CORRESPONDENCE REGARDING THIRD JOINT SYMPOSIUM AND
MEMORANDUM ON INOZEMTSEV WASHINGTON D.C. VISIT OF 16 MARCH 1975

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MEMO

TO: The Record

DATE: 17 March 1975

FROM: R.B. Foster and M.M. Earle

LOCATION:

SUBJECT: Meeting on Sunday, 16 March with Dr. N.N. Inozemtsev, CC:
Director, IMEMO, USSR Academy of Sciences

On Sunday, 16 March 1975, R.B. Foster, Director, and M.M. Earle, Assistant Director, of the Strategic Studies Center (SSC) of SRI met with Dr. N. N. Inozemtsev of IMEMO and E.V. Bugrov of the Soviet Embassy at the request of Dr. Inozemtsev. We picked them up at noon at the Soviet Embassy, ate lunch at the Cosmos Club and returned them to the embassy following lunch.

The main points made were as follows:

1. Dr. Inozemtsev reviewed the results of the just concluded (last week) International Research Exchange (IREX) meeting in New York. Dr. Allan Kassof, Director of IREX, had a three-day meeting of academics from the U.S. and Soviet Union to discuss and select topics for cooperative research. The U.S. side is monitored by the Council of Learned Societies; the Soviet Academy of Sciences monitors the USSR participation. The exchange was arranged by IREX as part of the government to government agreements and is referred to as the "Bi-National Commission."

Three economic topics were endorsed by the Bi-National Commission. The first topic has two parts: (a) A joint SRI/IMEMO project on U.S./USSR Economic Relations in Detente; (b) long term economic relations. The first is outlined in the draft study plan prepared by the SRI/SSC and Dr. Maximova during her November 1974 visit to Washington. The second part of the first project, although related to the first part, would deal with long run problems and prospects and conclude with a symposium or conference in 1977. SRI and IMEMO would monitor the second part as "lead research institutes" and would bring in other scholars and institutes in the U.S. and the USSR. (Inozemtsev represented the Soviet Academy; Dr. W. Leontief of Harvard, Dr. V. Trembl of Duke, and Dr. H. Levine of the University of Pennsylvania and SRI/SSC represented the U.S. Herb Levine will provide the full minutes of the meeting at a later date.) The second project would deal with capital efficiency; the third with input/output methodology. (SRI will have no direct responsibility for the latter two, according to H. Levine).

2. The involvement of SRI with the U.S./USSR Trade Council in New York was reviewed, and I brought up the request of the Trade Council for SRI to take on a "small project" for a handbook for U.S. businessmen on how to do business with the USSR. Dr. Inozemtsev stated that any "handbook" on doing business in the USSR should be done with IMEMO participation. R.B. Foster said that SRI agreed, and so told the Trade Council (Harold Scott); in fact, we considered this project (which has been indefinitely deferred) to be a subtask of the larger

- c. Dr. Kulish, former strategist in IMEMO, is now working in a "sector" of the Institute for the Study of World Socialist Systems. (He has grown a full beard, Inozemtsev noted with some humor.)
- d. Dr. Inozemtsev was skeptical of the ability of U.S. or USSR researchers to really understand what is going on in China. One of his experts, Dr. Petrov from IMEMO, is in the U.S. and may call SRI/SSC to discuss his research on China, and we in SSC agreed to meet with him.
- e. Dr. Bugrov will return "shortly" to IMEMO from his post at the Soviet Embassy in Washington, D.C.
- f. Dr. Maximova, Head of a Department of Economics at IMEMO (and the wife of Dr. Inozemtsev), has already started preliminary work on the joint economic relations project. Inozemtsev commended her efforts, stating that she has hired several very bright young economists to work with her. (R.B. Foster commented that his wife, Penny Foster, an economist with NSF, had found Dr. Maximova to be a "liberated woman." Inozemtsev quipped, "too liberated.")
- g. Dr. Inozemtsev stated that Dr. Tjaguneko, head of Department, had unexpectedly died just recently of a heart attack. (This was confirmed in a phone call R.B. Foster to Dr. Bugrov 3/17/75.)
- h. Dr. Inozemtsev foresaw problems in moving arms limitations agreements to arms reduction agreements; neither side would be willing to take the first step.
- i. The meeting ended on a cordial note, with Dr. Inozemtsev extending his fervent hope that Mr. Anderson would have a rapid recovery from his operation. He also extended his best wishes to both Mr. and Mrs. Anderson and asked me to convey these wishes.

C.A. Anderson
W.B. Gibson
A.K. Beggs
D.R. Scheuch
D.M. Finnigan
H.E. Robison
K.B. Foster
H.S. Levine
R.E. Taylor



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STRATEGIC STUDIES CENTER

17 March 1975

Dr. N.N. Inozemtsev
Institute of World Economy
and International Relations
Academy of Sciences of USSR
13 Yaroslavskaya Street
Moscow, 1-234
USSR

Dear Dr. Inozemtsev:

This letter will confirm agreements reached at our meeting yesterday. As discussed, I am enclosing a copy of Mr. Anderson's original letter of invitation dated 27 January 1975 addressed to you. I am confirming the dates to which you agreed yesterday: June 8-18, 1975, for the symposium sessions and travel as our guests following the meetings. This invitation is for ten scholars for ten days. (I am also enclosing a copy of a cable sent to you and to Dr. Primakov by Mr. Anderson on 11 February and a reply cable by Dr. Primakov on 19 February.)

You will note that Mr. Anderson's letter said that "I would like to ask Dr. Foster to come to Moscow on March 17 to discuss the program, arrangements, and participants for the 1975 Joint Symposium, as well as the study plans and schedules for the two joint research projects." However, as we discussed yesterday, I will come instead in April. The dates that appear to be good for me are to leave London, England for Moscow about noon on Saturday, 12 April, arriving that afternoon in Moscow. I would like to leave for the U.S. about noon on Wednesday, 16 April. I will ask both Mark Earle (who accompanied me yesterday) and Dr. Herbert Levine (who you met last week) to join with me to discuss the symposium agenda and format and both joint research projects. We would like to meet with Dr. Maximova and others that you designate on the joint economic project and with Dr. Arbatov on the joint mutual perceptions project, as well as on the agenda and items for discussion for the June symposium in California.

We hope that the June symposium will include the first joint working sessions on both the joint economic project with IMEMO and the joint mutual perceptions project with IUSAC. To that end we will extend invitations to U.S. scholars, businessmen, members of Congress and their staffs, as well as Government officials to act as observers at this symposium. We believe that this would be helpful in extending cooperation between our two countries, as we agreed yesterday.

Dr. N.N. Inozemtsev
17 March 1975
Page -2-

I have extended your best wishes to Mr. Anderson for his rapid recovery and he in turn extends his personal invitation to attend the symposium to both you and Dr. Arbatov; he is hopeful that the other obligations of you and Dr. Arbatov will permit you both to attend at least part of the sessions. He asked me to thank you for your expressions of hope for his speedy recovery from his operation, and to assure you that he is recovering more rapidly than his doctors had expected. Mr. Anderson joins with me in sending greetings to Dr. Maximova and Dr. Arbatov. Would you be so kind to deliver a copy of this correspondence to Dr. Arbatov?

Very truly yours,



Richard B. Foster
Senior Director

Enclosures

RBF:njb

TELEX (Copy)

19 FEBRUARY 1975

C. A. ANDERSON
STANFORD RESEARCH INSTITUTE
MENLO PARK, CALIFORNIA

THANK YOU INVITATION TO SYMPOSIUM. GENERALLY WE PREPARED COME
JUNE BUT PROBABLY WILL OFFER 7-10 DAYS DELAY AS TO SUGGESTED
PERIOD. IT COULD BE SETTLED DURING RICHARD FOSTER'S VISIT.
SINCE INOZEMTSEV IS LIKELY VISIT USA MARCH WE WOULD LIKE DR.
FOSTER TO POSTPONE TRIP MOSCOW TO BEGINNING OF APRIL.

REGARDS

PRIMAKOV

CABLE (Copy)

11 FEBRUARY 1975

N. N. INOZEMTSEV
YE. PRIMAKOV
INSTITUTE OF WORLD ECONOMY AND INTERNATIONAL RELATIONS
ACADEMY OF SCIENCES OF USSR
13 YAROSLAVSKAYA STREET
MOSCOW 1-234
USSR

ANSWERING YOUR QUESTIONS TO DR. GIBSON MY LETTER OF INVITATION TO
IMEMO AND IUSAC FOR SYMPOSIUM IN CALIFORNIA MAILED JANUARY 27.
SUGGESTED DATES JUNE 8 TO 18. TEN SCHOLARS INVITED. FOSTER OF SRI
CAN BE IN MOSCOW LATE MARCH TO DISCUSS AGENDA AND JOINT PROJECTS.

C. A. ANDERSON
STANFORD RESEARCH INSTITUTE
MENLO PARK, CALIFORNIA



STANFORD RESEARCH INSTITUTE
MENLO PARK, CALIFORNIA 94025
(415) 326-6200

CHARLES A. ANDERSON
President and Chief Executive Officer

January 27, 1975

Dr. N. N. Inozemtsev
Institute of World Economy
and International Relations
Academy of Sciences of USSR
13 Yaroslavskaya Street
Moscow, 1-234
USSR

Dear Dr. Inozemtsev:

It is with great pleasure that I extend an invitation to you, Dr. G.A. Arbatov, and your colleagues to join with members of SRI and other American scholars at Menlo Park, California, for the Third Joint Symposium. The Symposium would address political, economic, and strategic problems and interests of our two countries. The results of our two previous sessions augurs well for the success of this meeting.

We suggest the period June 8-18, 1975 for the Symposium sessions and travel as our guests following the meetings. The actual sessions would be June 9 through 12. The total Soviet delegation can include up to ten participants with the expenses while you are in the United States taken care of by SRI.

If it is agreeable, I would like Richard Foster to come to Moscow on March 17 to discuss the program, arrangements, and participants for the 1975 Joint Symposium, as well as the study plans and schedules for the two joint research projects. We had hoped that he could come at the end of February but current research commitments preclude this.

I look forward to the opportunity to host the symposium and again meet with you and your colleagues.

Sincerely,

Charles A. Anderson

cc: Dr. G.A. Arbatov

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R. FOSTER
M. EARLE
H. SILVERSTEIN

Appendix L

TRIP REPORT: RICHARD B. FOSTER

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APPENDIX L

TRIP REPORT: RICHARD B. FOSTER

The majority of my notes have been fed into the summary section and thus I will limit my trip report to some selected observations.

We had an excellent reception in terms of prepared program development and physical accommodations. The Soviets appeared to go out of their way to convey a warm and friendly tone. Obviously the Soviets went to a great deal of trouble to make excellent working arrangements. We met in the House of the Unions, an excellent meeting hall, with simultaneous translation and tape recordings. We are supposed to get copies of the tapes and transcribe them for our purposes. I will be pleasantly surprised if and when I see them.

The Soviet research institutes turned out about 30-35 people. Most of them were in attendance most of the time. The chairman was Arbatov and the co-chairman was Primakov. They rotated at times among themselves, but Arbatov attended all of the sessions. Inozemtsev returned from politicking in Georgia after the sessions were over and we met with him for about two hours. We also met with Dr. Gvishiani for several hours. Most of the people who attended were their top people--assistant directors of the institutes, department heads, and section chiefs.

The Soviets were impressed with the SRI team assembled from a cross-section of the intellectual community who are serious scholars in their own right and generally work with the U.S. government. The Soviets indicated their satisfaction at dealing with SRI, a "serious" research institute on a broad spectrum of issues related to the national policymaking process.

At times toward the end of the meeting, the discussions got pointed as we pressed them on a number of questions, such as the trade agreement and the Middle East. The Soviet participants obviously were restrained and very careful in their comments.

There was some candor in the overall discussions--the plenary sessions. There was more in the special sessions and in private sessions. Whenever a particularly troublesome area was raised, Arbatov personally handled the Soviet response.

An important factor which came about between the earlier meetings and this was the change of administrations in the U.S. The Soviets want to find out everything they can about the new administration. They were asking about the continuity of U.S. policy.

They have various assessments of their situation vis-a-vis the United States. The principal one, in my opinion, is their view that they can probably sit still. There is no hurry in arms control negotiations for two reasons: wait and see how the new administration catches on and what it is going to do; and watch the pressures of internal politics and the deteriorating economic situation in the U.S. which will cause the U.S. to reduce its budget in any event. I didn't get any sense of urgency except in one area, their perceptions and reflections on the Schlesinger options. Harriet Scott is preparing a separate Informal Note on all of our discussions on this topic.

The Soviets would like to split the areas of discussion with no linkage between the strategic (military), the economic, and the political. To paraphrase their views--let's treat all of these issue areas as if they were "commercial enterprises", and measure them all in terms of separate profits. The U.S. participants stressed that Mr. Nixon (and later Mr. Ford) and Mr. Kissinger and other officials have all indicated that the principal objective of trade at this time with the Soviet Union is political. The expressed Soviet view was that under no circumstances would they be willing to negotiate security for the sake of "profit." Our delegation felt that this preconception

that "profit" was our central purpose in life was dangerous and represented a major misperception of U.S. motivations.

We insisted that we look at the potential strategic developments as well as the economic and that we look at questions of the interaction between them. I raised the question of our furnishing long-term credits and providing for technology transfer--does it create a web of interdependence or are we subsidizing a Soviet arms buildup? This shook them up considerably. I emphasized these are the kind of questions we are asking ourselves in our own country and you have to answer them. You can't duck these issues if you want credibility in detente.

They argued for their interest in maintaining global economic order, essentially as follows: as the world economic order collapses, a deep economic depression will take place, and political anarchy will ensue. Then, all will be reduced to poverty and therefore have a chance at becoming true Communists, poor but honest like the Chinese. On the other hand, communism in the PRC depends solely on the force of local ideology and slogan. They have no interest in becoming like the Chinese or turning the world over to them. Their interest is the opposite--inherit an essentially intact world economic system, not reap the whirlwind of a collapse. At the symposium we could not get a meaningful dialogue started that would give us new insights into how they perceive the use of limited economic instability in their national strategy. It is very clear that they "fear" MNC operations because they represent an economic force that is not as yet understood. They are, therefore, neither able to develop a defensive strategy to cope with this economic phenomenon nor an offensive strategy to mold it to their ends.

A considerable amount of time was spent on the Middle East and U.S./USSR interactions. I will publish a separate SSC Informal Note on this subject at a later date combining the results of my various discussions with Soviet scholars over the past year or so on this topic.

Appendix M

TRIP REPORT: DR. ABRAHAM S. BECKER

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TRIP REPORT

JOINT SYMPOSIUM, STANFORD RESEARCH INSTITUTE-SOVIET ACADEMY OF SCIENCES
(INSTITUTE ON THE USA AND INSTITUTE OF WORLD ECONOMY AND
INTERNATIONAL AFFAIRS, September 23-27, 1974)

Abraham S. Becker

I. Introduction

The planning for this second SRI-Academy of Sciences Symposium began in June, 1974. At that time, apparently, it was contemplated that the Symposium would have a relatively conventional framework of prepared papers and commentaries. The papers were to be in "thesis" form, about 10-12 pages long, but still there was to be something substantial to start off the discussion. As the planning proceeded, the conception altered -- I believe largely at the insistence of the Soviet side. In a letter to SRI, they suggested that it would be desirable to "avoid an overly rigid and schematic character of the discussions, counting rather on a lively, free exchange of views."

Indeed, the Soviet paper, which arrived in the United States around the beginning of September, was about 3-4 pages long and represented a straightforward presentation of basic Soviet diplomatic positions. E.g., under the heading of decreasing the danger of war, the topics suggested were how to prevent the creation of new strategic systems, banning all underground weapons tests, removal of nuclear armed ships from the Mediterranean, and a global disarmament conference. The document drawn up by SRI, which arrived in the Soviet Union only a few days before the Symposium began, was considerably longer but was also not a formal paper in any sense. It consisted of two sections in keeping with the general breakdown of the Symposium agenda into matters of strategy and economics, and provided a few pages of introductory material on each topic along with a series of questions.

It was to be expected, therefore, that the conference format would be free-form plenary discussions. Although there were two groups on each side, one for economics and one for strategy, there were in fact only two "working" sessions, when the two groups met separately. However, these meetings were only smaller plenary sessions. The Symposium did provide a free and lively exchange, but the limitations of the format were readily apparent. The discussion was often diffuse, and made for difficulties in pursuing a point to its logical consequence.

II. Issues of the Symposium

A. The general problem of detente.

Detente was, of course, the major subject that we had come to discuss, and the central problem of this discussion revolved, explicitly or implicitly, around the question, is detente in trouble, and if so, why? On the second day of the discussion, Dick Pipes bluntly warned the Soviet side that Americans had soured on detente because they perceived Soviet behavior -- e.g., in the grain deal, the October War, the steady buildup in Soviet forces -- as hostile to American interests. However, it was not necessary to wait for that intervention to recognize that from the very beginning the discussion centered on the troubled future of detente. Was it going forward or was there a danger of sliding backwards?

On this major issue of the Symposium, the Soviet side seemed to be of two minds. On the one hand, they expressed privately and publicly the belief that detente and its progress had an "objective" basis. To paraphrase Arbatov's formulation, detente involved an attempt by the United States to trim its policy to resource and other constraints (i.e., growing Soviet power). This was not a flash in the pan but an enduring factor of American-Soviet relations. At the same time, however, Washington was alleged to be still seeking various ways to manipulate Soviet policy, to develop more effective political utilization of military force so as to secure a unilateral advantage over the Soviet Union. The search for that unilateral advantage leads the United States Government to continue

the arms race, particularly the technological arms race, of which, indeed Washington is the initiator. Thus, the arms race and detente maintain an uneasy and unhealthy coexistence in U. S. policy.

Another Soviet view, however, seems to be somewhat more pessimistic, exhibiting an active fear of American backsliding to the cold war. The argument may be put as follows: The United States seems to be seeking alternatives to detente that are still "positive" policies intended to avoid nuclear war with the USSR. The Soviets deny the existence of such alternatives. If the U. S. continues along that path, there will be an inevitable regression to balance-of-fear calculations, to the cold war and, therefore, to confrontation between the two sides. It is further charged that the critics of detente in the United States operate with a narrow conception of Soviet-American relations that seems to be confined to just the avoidance of war. But the latter was just as much a feature of the cold war: both sides attempted (successfully) to avoid a military confrontation. That kind of strategic tunnel vision, the Soviets assert, led to McNamara's attempt to "civilize" warfare which, in the context of present-day relations, would constitute a fundamental violation of the U.S.-Soviet agreements on the principles of peaceful coexistence. Instead, as the Soviet side sees it, detente requires the replacement of confrontation by cooperation. Of course, competition between the two systems would continue, but not in the forms and channels characteristic of the cold war. To succeed, detente requires more trust and less suspicion.

The Soviet side stressed that detente is not a final goal but a stage in the process from cold war to "real" peace. Here, curiously, a difficulty in the Soviet polemic appears. Detente is said to have been made possible by a change in the correlation of forces in favor of the Soviet Union, yet the Soviets declared that international politics conducted on a basis of the balance of force is unsatisfactory. The balance of force is an imperfect, transitory phenomenon which must inevitably be replaced by an arrangement of collective security. What is collective security? It is

a condition arrived at by radical restructuring of international relations, achievement of broad international understanding, abolition of the sources of war and conflict, and limitation of arms, presumably to zero or near zero levels. Thus, the Soviets operate with a three-phase model of the progression of Soviet-American relations -- the past horrible (cold war and threats of confrontation), the present imperfect, in which relations are governed by the balance of forces (better than anything that we had before but not an end to be desired in itself), and the future pluperfect, identified as the stage of collective security. (Nothing was said about a fourth stage, reached with the global triumph of Socialism.)

This kind of thinking proved distinctly unpalatable to the American participants who rejected the speed with which the Soviet side disposed of the problems of the present and moved to the utopian future. Dick Foster, for example, urged the Soviets to take a harder look at the problems of moving from uneasy and perhaps unstable balances now to more stable balances tomorrow before examining the utopias of the remote future. It is difficult to believe that the Soviets take the utopias very seriously. Yet it was instructive to hear Colonel Proektor posing two questions to Dick Foster: 1. Do you believe in an alternative to balance of force in the future? 2. Do you believe that only balance of force can guarantee national security? The implication was that an affirmative answer to these questions would have shocked the Colonel. Perhaps an American can be forgiven for the suspicion that balance of force is rejected because it is a game at which two can play. Perhaps the Soviets also fear that this is a game at which the United States maintains the potential for greater gain.

B. Strategic Doctrine

Fundamental differences between the two sides were manifested on a number of other issues as well. In the strategic discussion, Marshall Shulman was moved to ask whether the two sides share a common doctrine. On this question, it does not seem to me that the Symposium provided much illumination. Some of the Soviet spokesmen on strategic matters

expressed themselves as confident that parity between the two sides with respect to a first strike and all-out nuclear war had been achieved and was guaranteed for a number of years in the future, barring a presently unforeseen technological breakthrough. With appropriate agreement, that parity could be extended indefinitely. However, there was an instability in the competition at lower levels of potential warfare, where parity was still "inadequate", particularly since Washington was reaching for a destabilizing posture.

Exhibit A for the Soviet charge was the Schlesinger doctrine, which was one of the most frequently mentioned phrases at the Symposium. In the unanimous Soviet view, the Schlesinger doctrine threatened to legitimize nuclear warfare and aggravate the technological arms race. The Soviet side even challenged the legitimacy of deterrence: since the Kremlin had no intention of initiating military action, U.S. deterrent posture could only be viewed as an attempt to intimidate the USSR. To this Tom Wolfe responded that deterrence was indeed a form of intimidation because this was the purpose of military forces. Both sides played at deterrence and it would be useful to limit the cant in our discussions. More importantly, Wolfe asserted that Schlesinger too was confident that a first strike was not a major problem in strategic competition, but that there were gaps in deterrence at lower levels. We, like the Soviet Union, found ourselves uncomfortable with mutual assured destruction. Since one route out of the dilemma was closed by the ABM treaties, an alternative had to be sought.

The Soviet side was also reluctant to acknowledge the existence of the problem of tradeoff of quantitative for qualitative superiority. The Soviets literally bristled at the suggestion that a quantity/quality tradeoff characterized SALT I: SALT I reflected quantitative parity, they insisted, the balance being attained by virtue of U.S. bombers and forward based systems. (There is something just a bit strange about this argument, inasmuch as the Soviets also assert that the United States has had and maintains a qualitative advantage. Nobody asked why they subscribed to SALT I under these conditions.) In the end, however, they were willing

to admit that the issue might possibly be significant in the future, and there was even some discussion of the possibility of parallel or joint research with SRI on this among other issues. However, Marshall Shulman's comment that insufficient attention had been devoted to the problem of attaining stability of the strategic equation was a valid and pertinent commentary not only on the history of Soviet-American arms control efforts but also with regard to the discussion at this Symposium.

C. Budgetary Arms Control

Early in the Discussion, at the request of Dick Foster, I raised the issue of limitations on military budgets. I reported the findings of the study done by the United Nations Expert Group on the Reduction of Military Budgets this summer and emphasized in particular the importance of tradeoffs of information for stringency of a budgetary limitation agreement, in two directions: first, with respect to the difficulty of deciding whether, when military budget totals were limited, any possible reallocation accomplished by the participants to the agreement would be stabilizing or destabilizing; second, with respect to the problem of verification. In both these critical aspects of an expenditure limitation agreement, there seemed to be a clear and significant tradeoff of information for additional constraint on the parties to the agreement.

It does not seem to me that we made much progress with this question. The Soviet view expressed publicly and privately was that the simple 10% cut under the Gromyko proposal in the United Nations was a viable and meaningful approach to arms control. Confronted with the elementary facts about Soviet secrecy on their budget, and the consequent uncertainties about the size and classification of Soviet military outlays, there was generally no attempt to deny the recital of facts. Instead, it was asserted either that a detailed comparative analysis of such issues as the scope and content of military budgets or other measurement problems was unnecessary for a successful agreement, or that given the technical difficulties of the problem an initial leap into the dark was necessary. (I return to the latter argument at the end of this report.) True, Sviatov

denied that military budgets were secret in an age of national means of verification, but he did not trouble to explain how one moved from physical numbers of missiles to total military expenditures. After a defense of Soviet secrecy in relation to Soviet history and the hostility of external powers, Arbatov made the remarkable accusation that the United States exploited Soviet secrecy to manufacture arbitrary and total inaccurate numbers. Was this sheer gall or was Arbatov really addressing his compatriots and reminding them that maintenance of absolute secrecy has disfunctional results too?

D. Rules of the Competitive Game: The Middle East

Participants from both sides criticized the failure to live up to the principles of bilateral relations. However, their examples were obviously drawn from different universes and in essence they talked past each other. On the Soviet side, the principles were those of equal parity beginning with guaranteeing the impossibility of first strike capabilities and continuing with stress on the standard political elements of detente. On the U.S. side, there were a number of pleas to help define the rules of the game in the political competition generally and in crisis situations especially. The focus of discussion was the Middle East, particularly in October 1973.

It was very clear that the Middle East was the foreign policy problem that worried the Soviets most. This was stated explicitly by both Zhurkin and Primakov, among others, at the Symposium. Reference to the Middle East was intended in most cases to designate not only the problem of the Arab-Israeli conflict but also that of oil and the Persian Gulf. A part of one session was devoted to a discussion of the Arab-Israeli conflict, and Primakov outlined the standard Soviet package -- the "political solution", national rights of the Palestinians, and great power guarantees of the pre-1967 frontiers. As is also customary in such expositions, Primakov made short shrift of the issue of arms control in the region, waving it away with the argument that if a political solution is obtained, the problem of the arms flow could be easily dealt with.

He did express irritation and concern with the increasing volume of arms supplied by Western Europe. On the other hand, in private conversation, Arbatov allowed that in the near future the U.S. and the USSR would have to come to an agreement on arms control for the Middle East, because of the increasing danger of another war and a resulting US-Soviet confrontation.

I asked Primakov about the change in Soviet views on the Palestine Liberation Organization and the Fedayeen. After the Six-Day War, the Soviet Union had been opposed to the PLO objectives and tactics, and it was only in 1968-69 that this attitude gradually changed. More recently, especially since October 1973, Moscow's support of the PLO has become increasingly explicit and the USSR has been demanding that the PLO be included in the negotiations. My question was, what basis did the Soviet Union have for confidence that the objectives of the PLO with respect to the liquidation of the state of Israel had changed in the interim? In reply, Primakov sounded the usual themes -- support for the right of Israel to self-determination, Soviet opposition to terrorism as a means of struggle in principle, the increasing "realism" of the central leadership of the Palestinian movement. When I persisted on the issue of change in PLO objectives, he argued only that Palestinian responsibility for government on the West Bank would ultimately lead to the normalization of relations with Israel, but that this was a gradual and long term process.

On oil and the Persian Gulf Primakov decried the "primitive" U.S. view of Soviet policy which sees the Soviet Union ready to shut off the oil tap to western countries. This was totally false, he maintained: the Soviet Union had no wish to disorganize the capitalist world economy system. On the contrary, it recognized that the world economy was a single entity and the USSR was interested in broadening its economic cooperation and contacts with the Western world. Moreover, the Soviet Union is an oil importer and would need oil from the Middle East (it's not clear how he thought that the latter argument was a refutation of the accusation that the USSR wished to shut off the tap to the West). In addition, he argued that tensions in the Persian Gulf were being aggravated

by Western arms deliveries. It was, after all, the United States that was supplying the Arab "primitives", by which he meant Saudi Arabia and the Persian Gulf sheikdoms.

Confronted with illustrations of Soviet support for not only the oil embargo but also such measures as confiscation of American assets without compensation and withdrawal of Arab funds from Western banks, Primakov countered that American sources had urged warfare against the Arab states, and Shamberg cited U.S. foreign economic policy to the USSR after World War II. Arbatov suggested that if economic warfare in crisis conditions was taboo, then it should be taboo under all conditions and that included current relationships between the United States and the Soviet Union: (Obviously, MFN was the case in point.)

E. China

Arbatov argued that neither the U.S. nor the USSR could affect Peking's policy in the short run. If US-Soviet relations improved, China would not be a problem; the reverse would be the case if Soviet-American relations deteriorated; therefore, it was important to make progress in detente. On the other hand, Sviatov insisted that the United States could do something to change Chinese policy in the next few years. Apparently he believed that Kissinger exercised significant influence in Peking. All the Soviet participants expressed optimism that the imminent change in the leadership of the CPR would lead to positive changes in Chinese policy. In any case, military expansion in China was taking place at the expense of economic growth, and China could not achieve the levels of either the Soviet Union or the United States in military and industrial power.

F. Economic Issues

I was not present at the two working group sessions on economics, but in the discussions in plenary as well as in private that my notes cover, there are several themes that seemed particularly noteworthy. I was impressed by the extraordinary emphasis placed by the Soviets on long term trade agreements with the United States. I believe that this is linked to two basic concerns: first, obviously, there are internal economic problems,

and Moscow is eager to obtain the Western, particularly American, technology that could contribute to the solution of those problems.

However, a second Soviet concern is strategic-political and relates to the future of detente. Here the Symposium reflected another strand in Soviet thinking on trade and economic issues -- the importance of long term economic relations as an element making for the irreversibility of detente. In this connection, of course, MFN came in for a considerable amount of notice. Ivanov attempted to make the economic case that denial of MFN was a significant economic problem: Soviet exports to the U.S. covered only a sixth of their dollar imports in 1973 (Ivanov ventured so far as to call this a violation of GATT and IMF rules), but that if MFN were granted, it might be possible to raise that proportion to as much as 50%. On the other hand, Arbatov (publicly and privately) emphasized the political-symbolic importance of denying MFN. Soviet thinking about detente seems to see the need for a ratchet preventing American back-sliding to the cold war. Thus, they too see political utility in the "web of interrelationships", a major part of which is to be constructed from developing trade and credit agreements. Of course, the political benefits they foresee differ from those forecast by the U.S. government.

The Soviet side was also worried about American inflation which caused problems for Soviet trade planning and engendered serious economic losses. In this connection, a minor footnote seems worth recording. I raised the issue of inflation in the Soviet machinery industry. The first reaction of Ivanov was to deny that the Soviet price rises had been inflationary, asserting instead that the price changes reflected radical qualitative change in the machinery mix; price per unit of capacity was in fact declining. I gave Ivanov a copy of my article on Soviet machinery prices (Soviet Studies, July 1974) which cites the views of many Soviet economists, starting with two well-known figures, Kvasha and Krasovskii, on the nature and scale of the inflation of machinery prices. A couple of days later, Ivanov saw me privately and said, "You know, I'm not an expert on these matters, but after reading your article, I'm inclined to think that I agree with Kvasha and Krasovskii and not

with the Central Statistical Administration."

Noteworthy too is the defensiveness in one of Arbatov's interventions, when he replied to Pipes' charge that detente was in trouble because of American perceptions of Soviet hostile acts. Arbatov implied the possibility of "linkage" on the Soviet side (referring to the denial of MFN), declared that the share of defense in the national output in the Soviet Union was not dependent on a particular set of economic equations but could be stepped up if needed, and insisted that the USSR was not a backward nation but one with a distinguished scientific record whose exports to the United States could help solve American economic problems. He added that the Soviet Union sold strategic materials to the United States and didn't seem to worry about it.

Shamberg struck an interesting note in the economic discussion. He indicated some skepticism that the U.S. could easily adapt its economy to the new conditions created by recent developments on the world economic scene, but at the same time he seemed to be relatively optimistic about American economic growth in the next decade. If my notes may be relied upon, he even predicted a 4% or better rate of growth of GNP.

Finally, in a private conversation with Arbatov, I asked about the press interview given by the Soviet oil Minister, Valentin Shashin, last spring, in which he seemed to be displaying Soviet disinterest in joint projects with the West to exploit Siberian oil and gas. Arbatov explained that Shashin hadn't intended to say this at all, but merely wanted to warn the West that Siberian projects could not be used as leverage for pressure on the USSR.

III. Some Concluding Observations

In all of this discussion, two basic themes seemed to crop up again and again on the Soviet side. The first was the critical importance of political decisions and the need to deemphasize technical analysis in the resolution of outstanding US-USSR problems. This was accompanied by stress on the greater significance of basic perceptions than structural detail of proposals. With respect to what Americans regard as technical

problems (at least in large part), such as the comparability of forces under MBFR or limitations on military budgets, the Soviet side argued that it was impossible to attack these frontally by technical discussion: only a political decision could move the process of negotiations forward. Presumably, after the leap into the dark on the basis of a political decision, it would be possible to begin the discussion and analysis of the technical problems.

A second, related theme of the Soviet rhetoric was the importance of mutual trust. As indicated earlier, the U.S. side was accused of seeking unilateral advantage. The Soviets insisted that no real progress could be made -- indeed, there was a serious danger of retrogression to an unacceptable kind of relationship -- if mutual trust was not attained. To complete the circle of the argument, the attainment of mutual trust would enable the sides to take those political decisions which alone were capable of moving the sides forward on the road from detente to peace.

Soviet-American encounters of this sort seem to generate distinct and regular patterns of behavior of the participants. At this Symposium, as at other such meetings, the sides begin with different perceptions of their roles in the discussion. Levine observed that whereas the members of the U.S. group were individual scholars and had come in their individual capacities, the Russians acted as if they were negotiating with the United States Government. In fact, as a consequence of this important difference, the individual-scholar status of the American participants tended to be obscured. We began to act more as a team and there tended to be a coalescence of views expressed on the U.S. side, which belied the true diversity of beliefs. A group including Marshall Shulman, Dick Pipes, Tom Wolfe, Dick Foster, among others, represents a broad spectrum of views on the equally wide range of questions discussed at the Symposium, but an outside observer would have had difficulty in distinguishing viewpoints by listening to us at the conference. The interventions of Marshall Shulman, for example, were of a character that

I might have phrased differently but certainly supported, and I think that this was probably true of the other American participants too.

Appendix N

TRIP REPORT: DR. ROBERT W. CAMPBELL

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Appendix N

TRIP REPORT: DR. ROBERT W. CAMPBELL

I PERSONAL OBSERVATIONS

The symposium was a valuable experience for me personally. First, it was interesting to meet and see in action some of these noted Soviet personages, such as Gvishiani, Inozemtsev, and Arbatov. I had never met any of them before, and benefited from the opportunity both to assess their personal qualities and to see how they handled their institutional roles. Arbatov was very cautious, very directive. Gvishiani was much more confident, straightforward, and flexible. I was especially impressed by Primakov, who seemed to be willing to consider ideas, to discuss issues rather than dismissing them, and to elaborate and explain his position. This was in great contrast to Arbatov, who was much more inclined to keep things in rote formulas, and not to let discussion stray into hypotheses, alternatives, the unthinkable, etc.

It was also interesting to have the opportunity to be in extended contact with some of the Soviet economists in a variety of situations, to be able to sense what the level of their economic understanding is, what their roles in their organizations are, how fully informed they are on U.S. attitudes, and how they see some of the problems of U.S. - Soviet economic relations. Most of the economists who participated in our discussions are section heads rather than active researchers, of course. So their role is more one of managing the discussion than of thinking about issues or formulating ideas. Two things struck me about these economists:

- Even among this elite, who are much more exposed to Western thought and arguments than many, they just don't think in economic analytical terms. The revolution in economic analysis has gone less far than I sometimes imagine it has.
- Soviet economists differ from U.S. economists in being much more specialized and compartmentalized in their knowledge and interests than American economists. They are knowledge-

able and interested only in their own little area, genuinely ignorant of and uninterested in issues outside their own responsibilities. That is an old story, but this experience strongly reinforced it for me.

The visit also changed my perspective on the Soviet future a bit, though the basis for this is rather superficial impressions and observations. I had a feeling on this visit, in a way I never had before, that this society could be on the verge of some kind of takeoff, that it can change. People were better dressed; less often were prices so high as to be shocking; there was a big growth in traffic; people seemed less sombre in appearance and behavior, a little more relaxed in their personal relationships with each other, and a little freer to live a private life. I was much impressed by Gvishiani as a person who has some confidence, impatience, some concern to exert himself and change things. All this reaction was heightened by the visit to Estonia, where in general things functioned better and seemed to be done with some pride and less slovenliness. The Tallin Polytechnic Institute is quite different from anything I had ever seen in the USSR, and its Rector a man who operated with pride and self-confidence, willing to answer questions directly.

The trip did not produce much information of interest to an economist (the low point in this respect was the head of the Estonian Gosplan) though there were some indicative incidents, and some information generated about how research institutes function.

II COMMENTS ON SOVIET VIEWS ON THE "ISSUES" POSED IN THE SYMPOSIUM AGENDA

My comments here will refer only to the economic issues as I felt during most of the discussion of strategic issues that if there was anything interesting or novel there it was too subtle for me to discern.

It seemed to me that the Russians were a little taken aback by the scope and probing character of the questions laid out in our agenda. Their own list was much shorter and much more neutral -- i.e., they merely raised a topic rather than structuring it into a question or issue. As Anikin said, there was some overlap between the two agendas, but in fact the overlap was limited almost exclusively to the kind of topics they have traditionall/ stressed as obstacles to detente.

A. Forecasting Model

In our list one of the important sections dealt with the construction of a forecasting model, and they seemed very unresponsive in that area, both in general sessions and in our probing of them in a smaller group. Entov showed some interest and comprehension regarding what the SRI-Wharton group is doing, but the others did not, and were reluctant even to get involved in discussing it, or in considering the proposition that it might be instructive to exchange views on how each side might forecast the economic performance of the other.

In the one separate session on this question we held with the economists they were willing to receive a paper, promised to respond with some comments, but were very reluctant to say that they could help in any way with data problems. Their position was that as specialists on our economy rather than on the Soviet economy, they were not the right people to do this for us, though they said they would be willing to refer it to others.

B. MFN and Credits

As might be expected they talked a lot about MFN and credits, especially in the opening statements at the plenary sessions. Arbatov said that the big projects like gas development were really being contemplated for our benefit rather than for theirs, and that they could not be expected therefore to find the investment resources themselves. Ivanov worked the MFN line by the argument that we buy from them only one-sixth as much as they buy from us (this sounds better than to say that we have provided them with six times as much goods as they have provided us with) and that they are under pressure from West European countries to even out the balance of trade with them.

In our separate discussion with the economists they seemed to sense there was little point in badgering us about MFN, and they were willing to listen to our explanation of why there is some reluctance in the U.S. to extend long-term, subsidized credit.

Much of our discussion in this small group centered on the prospects for U.S. energy import needs. They were very concerned to rebut the idea that it might be dangerous for us to be dependent on Soviet gas. One novel point made by Ivanov that made sense to me was that if we are worried about dependence, we ought to focus not on gas but on platinum, chrome, and manganese where they already supply a large fraction of our needs, and where no political use has been made of this dependence.

One variation from the usual stress on MFN and credits was mentioned in their list of topics and Ivanov's stress in his opening statement that there are large opportunities for "compensation deals" and other cooperative arrangements in which he said the Soviet side could be quite flexible in the kinds of contracts, institutions, and legal arrangements that they would be willing to accept. But that point never got developed in detail.

C. Inflation

We discussed inflation in the capitalist world as it affects their willingness to open themselves up more to the world economy, and the general line seemed to be that they do not see this as a great problem.

They acknowledged some effects, but think they can keep their economy fairly well insulated from world inflation by the right kind of contracts. This was an illustration of their weakness in analytical understanding -- they don't see that under conditions of uncertainty about future prices there is no way to really hedge the interests of both sides.

The issue of what kind of stance they plan to take in relation to the international monetary system is one that I am interested in, and as I have thought about the implications of everything they said relevant to this question, I conclude that they are determined to keep themselves isolated from it. That is not an area for cooperation and interaction.

Their reaction to the proposal for joint research on ways the two sides can cooperate in recycling petrodollars was interesting in this respect. Primakov had said that they did not consider it in their interest that the petrodollar problem might wreck the world monetary system, but there was never any indication on their part as to how they might be involved in pinning down the petrodollars.

D. Expanded Trade

They were much interested in ways to strengthen their ties with small and medium-sized business firms in the U.S. rather than with just the big corporations. This was on their list of topics, Gvishiani mentioned it, and Inozemtsev came back to it on the last day as something they would be interested in doing joint research on. Obviously they would like to be able to spark a little more competition among potential partners, and as Grossman has suggested, they would also like to enlist the interest of this group on behalf of expanded trade as an aspect of detente.

They didn't respond to our questions about how trade figures in their long-term forecasts, except that Ivanov said (for what it is worth) that in the projects of the 10th Five Year Plan and the long-range plan, co-operative projects such as the gas deals are envisaged.

E. Technology Transfer

There was no serious response to the question about technology transfer and the possibility that it can be used for military purposes. I suspect that this was partly because Arbatov himself intercepted that question very quickly after Mark Earle had posed it, by saying that the U.S. would have to give up any notion of being able to conduct a policy of "technological imperialism." That was the official answer and no one needed to argue with the boss.

F. Energy

In private discussions we talked about Shashin's statement that they were no longer interested in cooperative energy development projects. They were emphatic that this was not policy, and that Shashin had been misquoted, and that it had later been clarified. But they were willing to admit that there are serious differences of opinion on this matter and that there is some support for the Shashin view. Their forecast on energy prices is that they may fall somewhat from present levels, but that the era of cheap energy is past, and that energy prices will stay much above what they have been heretofore. Primakov was particularly eloquent on this. They all thought that the cartel was not likely to break down, though I didn't feel that they had any very sophisticated understanding of the strains it might be under.

Altogether, I don't think that we made real intellectual contact on a lot of the issues that seem important, either because they cannot talk about them or because they do not understand the nature of the issue. I considered the discussions more profitable when we broke up into separate economic and strategy panels -- more interactive and more systematically focused on some problem. If we had spent more of our time in this way we might have made more progress, a point to be considered in the organization of the next conference.

III SOVIET INSIGHT INTO THE MIXED CONFLICT-COOPERATION SITUATION IN WHICH THE U.S. AND THE USSR FIND THEMSELVES

Dick Foster made a persistent effort to bring the discussion around to an analysis of the basis for detente, and to elicit the reactions of the other side to the proposition that our mutual interest is not just in avoiding a nuclear interchange between ourselves but in maintaining some stability in the international order in general -- restraint of regional conflicts, maintenance of the international monetary system and conditions for relatively free world trade, and so on. The problem is to avoid the kind of breakdown that occurred in the thirties, which in a nuclear age would be even more disastrous for the Soviet Union than it was then.

It seemed to me that they did not respond to this idea with much enthusiasm or appreciation. The discussion of strategic issues seemed always to be based on a bilateral view, and attempts like that of Marshall Shulman to bring China into the problem, or to get more discussion of how the fact of proliferation would affect strategic doctrine, got no response. The one person who seemed willing to pursue the idea was Primakov -- he seemed sympathetic to the general proposition. He was willing to talk about the Middle East, petrodollars, and China in relation to the problem. And at the very end Svyatov was willing to bring China into the discussion, though he argued that the U.S. has more influence with the Chinese than the Russians do, and that keeping them in line is thus mostly our responsibility.

If we ask, then, how they read the mix of conflict and cooperation in our mutual relationship, I think they see the cooperative element almost exclusively in terms of avoiding a nuclear interchange and reducing the burden of the arms race, with nothing else on the world political and economic scene threatening enough to them to give them a sense of shared interest and responsibility. Even trade and economic cooperation in their view is less a matter of economic self-interest than of "making detente irreversible" (in the special sense they understand detente).

Appendix O

TRIP REPORT: M. MARK EARLE, JR.

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Appendix O

TRIP REPORT: M. MARK EARLE, JR.

Since a full treatment of the wide spectrum of issues discussed at the symposium may be found in the reports of the other participants, I will limit my comments to a recap of the briefings we received at IMEMO and IUSA on their operations. I will first present the information as briefed and will conclude with two brief observations on the presentations. The briefing at IMEMO was given by Dr. Yevgeniy Primakov, Deputy Director. Dr. Primakov concentrates on political affairs and shortly after our visit was named a corresponding member of the Academy of Sciences. At IUSA we were briefed by the Director, Dr. Georgiy Arbatov, who after our visit was elevated to Academician of the Soviet Academy of Sciences.

On IMEMO

This institute was organized in 1956 on the foundations of the old Institute of the World Economy which was under Varga. The institute's organization is both problem and country oriented, IUSA being essentially one of IMEMO's departments before its separation. IMEMO retains a department under Professor Anikin that studies the U.S. economy. Other departments mentioned by Dr. Primakov were:

- Prospects for the Economic Development of Capitalist Countries with sectors for Efficiency in National Economies and Economic Comparisons.
- Complexes of Material Production with sectors for Metallurgy, Energy and General Engineering.
- International Problems of Capitalist Countries with sectors for Multinational Corporations, Capitalist Integration, International Currency Problems, Trends in Capitalist Foreign Trade, State Regulation, Business Cycles and Structure of Monopoly Capitalism
- Western European and Japanese Economies
- Economic, Political and Social Problems of Less Developed Countries including a Mathematical Economics Laboratory to study their structure.

- Social and Domestic Problems of the Capitalist Countries, dealing with social and working conditions, domestic policy problems in capitalist countries, and revolutionary tactics in labor movements. This is a new department which works closely with the Institute of the International Workers' Movement.
- International Relations which has sectors for theoretical problems of international relations, forecasting, European problems, Far East and Southeast Asia, and military/political aspects of international relations as well as subgroups on U.S. foreign policy and Middle East problems.
- The Information Department which is concerned with publications and data, supports the other departments and accounts for about one-fifth of the staff.

There are also four independent sectors: General Problems of Imperialism, Economic Problems of Management, Industrial Agrarian Complexes and Economic Modelling and Overall Forecasting.

The director of IMEMO is Academician Inozemtsev. The deputy directors are Professors Martynov, Aboltin and Primakov. The Scientific Council, which is elected, includes the secretary of the party committee and the chairman of the trade union committee, develops and approves the general and specific research agenda. The institute has a five-year plan from which the departments proceed to develop specific research tasks which are programmed as to projects and time. The development of the next five-year plan took ten sessions, chaired by Professor Primakov.

The Institute budget comes from the Academy of Sciences rather than directly from the State Budget. They have more flexibility in operations since they are above the "ministry level" and work as well for practical organizations such as the Central Committee, Ministry of Foreign Affairs, and Ministry of Foreign Trade. The money from this "contract" work goes for bonuses and purchase of equipment, while the Academy of Sciences regulates the wage fund. Therefore, the annual research plan plays an

important role in changing the size and scope of the institute. They plan to move to a new building in 1975 and will be able to expand their computer facilities beyond the small Soviet-made model they now have, however they expect to continue buying computer time from the Academy of Sciences.

The IMEMO staff numbers about 500, about 60 with doctors' degrees and about 250 with the candidate's degree. Dr. Primakov stated that he felt there was an excess of degree-personnel over non-degree holders. The staff is often organized into task forces to deal with problems that cross organizational lines and include representatives outside IMEMO. About 10 percent of the staff of IMEMO is assigned outside of IMEMO's facilities.

The institute publishes about 35 monographs a year and a monthly journal with a circulation of 50,000, as well as a number of books. The institute also prepared quick response analyses, for which, Dr. Primakov stressed, the ongoing work of the institute is very important.

The trend is to publish more in the open literature and more and more time is spent on issues destined for publication as monographs or research notes. The publication time for a book is a cause for concern, since the process can take from one to one and one-half years.

Dr. Primakov pointed out that IMEMO is not formally part of the decisionmaking process in the Soviet Union. Institute personnel, however, do hold other positions in which Dr. Primakov said they bring the work of the institute to bear on other problems. In response to a question, he said that the International Department of the Central Committee does not have a research institute but does do some research. The Central Committee, while lacking an international relations institute, does have the Institute of Marxism-Leninism and Institute for Party History. The Ministry of Foreign Affairs planning section does research as well as drawing on others.

Gosplan prepares the central plan and works as well on ad hoc studies. It is now preparing a 15-year plan perspective as well as methodologies for and processes relating to the five-year plan. Through participation on two commissions of the Academy of Sciences--Education and Labor Problems and International Economic Contacts and Relations--IMEMO has a role in the 15 year plan process. They are also preparing documents as direct inputs to Gosplan.

On IUSA

The Institute for the United States of America and Canada (the latter was added during our visit) was established in 1968. The program of study lies in three fields: the U.S. economy (management, foreign economic relations, government economic policy, etc.); the government of the United States (internal policy and problems, agencies, programs, etc.); and U.S. foreign policy (general concepts and trends, political/military problems, U.S.-Soviet relations, regional problems, Far East, Middle East, etc.) The management section has concerns broader than just U.S. and is often consulted by ministries. Although the make-up of the individual departments is interdisciplinary, among the Deputy Directors, Dr. Zhurkin heads political studies, Dr. Shershnev the economic, and Dr. Vagin is concerned with administration. Dr. Arbatov mentioned that he expected Canadian studies to become a full department.

IUSA publications include the monthly journal, with a circulation of 34,000 which Dr. Arbatov considered a high figure indicating a readership broader than those responsible for foreign affairs, and about forty books to date. Dr. Arbatov said that while they frequently respond to government organs requests for advice, they normally do not take the initiative. Their budget is for the most part from the Academy of Sciences but there is some outside funding. Research is directed by a scientific council which includes no representation from outside the institute. The institute can grant degrees and about one-third of those in the degree program are outside IUSA. Of the current staff of 270, about one-half are professionals, while the objective for future staff size is about 350. The IUSA staff is relatively young, with an average age of 29.

Dr. Arbatov then responded to several questions from the American visitors. He indicated that he would like to expand the number of IUSA staff visiting the United States, to about 20 per year, but prefers two-to-three week visits for sharpening his staff's perceptions. This institute hosts about 400 U.S. visitors a year for one or two day stays. Some of those invited for 1975 include: John Emerson, John Galbraith, Enthovan, Stanley Hoffman, Harold Brown, Dean Griswold, Adm. LaRoque, Richardson and Marshall Shulman.

Except in two or three instances, Dr. Arbatov said his institute does not get funding to support outside research work. Outside funds are not applicable to wages which are the key to IUSA's operation.

Asked about shifts in Soviet attitudes toward U.S./USSR relations, and possible misconceptions about the United States, he first noted that he considered the role of IUSA's journal in shaping of Soviet attitudes toward U.S.-USSR relations to be very important. Dr. Arbatov felt the most important misconception about the United States on the part of Soviet citizens concerned the nature of the American leadership.

Although the high rate of U.S. inflation in 1970-74 had surprised Dr. Arbatov more than any other American phenomenon in the last five years, he said he had correctly foreseen the devaluation of the U.S. dollar. For the next five years he predicted a comprehensive SALT agreement and, with Vietnamese entanglement out of the way, a general lessening of tension with the possible exception of the Middle East.

Observations

Clearly the above notes on the IMEMO and IUSA operations need to be compared with information previously generated. Two items are worthy of note, however. First, the difference between informal discussions with various staff members and formal presentations concerning the interaction of the two institutes with the ministries and the party. Informal conversations tend to indicate that a high frequency interaction pattern exists. Formal presentations such as the one by Arbatov took a different stance, claiming that very little interaction takes place. In general we interpreted the formal presentations to be an attempt to both downplay

the position of the institutes in the decisionmaking process and secondly to be statements, in part, about the formalities of who funds the various studies. That is, the fact that the party did not fund the study was represented by them as being an indication that they were not doing research for the party. Thus, one of the areas for future exploration with the staff member is the process by which their annual research plan gets formulated.

Secondly, it is interesting to note the openness with which the Soviets talk about the importance to their research of their U.S. visitor programs. This is where they invite individuals to visit Moscow for from a few days up to a few weeks. This is particularly true at IUSA where as indicated above they have an extensive visitors' program, hosting about 400 visitors per year. We believe, and almost all U.S. participants in the symposium concurred, that it is far more difficult for the Soviets to exploit a group than an individual visit. Also, the potential via group interaction is high with respect to "scrubbing" their views on various matters.

Appendix F

TRIP REPORT: DR. GARY FROMM

SRI/SSC - IMEMO/IUSA SEPTEMBER 1974 JOINT SYMPOSIUM
ON STRATEGIC POLITICAL/MILITARY AND ECONOMIC
RELATIONS BETWEEN THE UNITED STATES AND USSR:
AN OVERVIEW*

Gary Fromm
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This second annual symposium, in general, was quite successful in a number of aspects. First, it continued the dialogue between leading U.S. and U.S.S.R. experts on important strategic political/military and economic relations questions which confront the two countries. While there was no resolution of issues, the discussions contributed to mutual understanding of each sides' viewpoints. This, and the personal interaction of participants, should lead to a lessening of tensions and risks of serious miscalculations in formulation of policy positions.

Second, while limited, the exchange of specific information and responses to questions also were most valuable in that regard. Expansions of such exchanges should be sought.

Because Mrs. Harriet Scott and Mr. Charles Movit, the SRI coordinators, took extensive notes and are preparing a detailed report on discussions of the symposium, I will restrict my remaining remarks to a brief overview and interpretation of a few key points.

Before turning to those it should be noted that our Soviet hosts were most hospitable and the meetings took place in an extremely friendly and cordial atmosphere. The Soviet experts who participated are, for the most part, quite competent and knowledgeable about the issues involved.

Middle East

The Soviets regard this as the principal trouble spot in the world today and expect it to be so for the coming decade. More is involved than the Arab-Israeli conflict, which they expect to be settled in the not too distant future. There are inherent difficulties because of the West's need for oil, the weakness of middle-eastern nations, and the jockeying for influence by the U.S. and U.S.S.R., particularly via the sale of arms.

Indian Ocean

The Russians stated that they feel it unreasonable for the U.S. to expect them to tolerate the establishment of a strong base and naval presence in the Indian Ocean. Clearly there may be a fear on the part of the U.S.S.R. that such a presence presages even greater U.S.S.R. exposure to U.S. nuclear missiles than currently exists and to conversion of India from an essentially neutral to a hostile status. A few remarks indicated that discussion of maintenance of neutrality of the area might be useful.

Soviet Grain Purchases

The Soviets said that they had behaved in conformance with "the best capitalist traditions" in purchasing U.S. grain on the open market. Moreover, while the U.S. side indicated that massive purchases normally were cleared on a government-to-government basis, the Soviets gave no indication that they would modify their past modus operandi in dealing directly with U.S. firms. Subsequent events, during the first week of October, bore this out.

Most-favored-nation Status

Given the large imbalance of payments in favor of the U.S. in U.S.-U.S.S.R. trade, the Soviets feel that it is unrealistic and unwise for U.S. interests to continue to discriminate against U.S.S.R. exports. They cited a number of examples in which U.S. import duties are prohibitive and prevent effective competition by U.S.S.R. producers.

While the publicly stated U.S.S.R. position was that there should be bilateral balance (between the U.S. and U.S.S.R.), in private discussions there was recognition that the U.S. position advocating multi-lateral balance (of hard currency trade) is reasonable, if not preferred.

Technical Questions Regarding Modeling the U.S.S.R. Economy

Little specific guidance was obtained. In response to one question, it was stated that total consumption expenditures in the U.S.S.R. might better, at this time, be treated as an exogenous planning residual. However, components of consumption might be explainable by other techniques.

Appendix Q

TRIP REPORT: DR. GREGORY GROSSMAN

Appendix Q

TRIP REPORT: DR. GREGORY GROSSMAN

You suggested that I begin this report by indicating what I (personally) got out of the Symposium. So be it, though with the prefatory remark that I cannot completely separate out what I got from the Symposium itself from what I got from my whole stay in the Soviet Union this time. My total sojourn lasted nearly three weeks and comprised contacts and observations on a number of levels of Soviet society and the Soviet academia (with a small "a"). The overall experience was quite rich in impressions--for which a major share of the credit certainly belongs to SRI. Again, many thanks for inviting me and treating me so well.

Broadly speaking, what I expected to get mostly from the Symposium was a feel for the perceptions and attitudes of a particular element in the Soviet Administration (for IMEMO and IUSA are part of the Administration, as we understand the word in this country) in regard to American-Soviet economic relations at this juncture--of course as an integral part of détente à la soviétique at this juncture--and their prospects for the future. The particular element in question is that which provides the informational and intellectual underpinning for the Brezhnev-Gromyko-Ponomarev foreign policy. (It may be recalled that both Arbatov and Inozemtsev were "elected" last June, respectively, to the two Houses of the Supreme Soviet--I now forget which was elected to which House--and became chairmen [if I am not mistaken] of the respective Foreign Affairs Committees. These committee chairmanships are not important policymaking positions per se, but their incumbents must enjoy the confidence of the policymakers themselves.)

I believe that I did get a feel for this element's present-day perceptions and attitudes, or--probably more accurately--for what it wants us to think are its perceptions and attitudes, beyond what could be obtained from a diligent and incisive reading of the Soviet press. By con-

trast, within the framework of the Symposium I did not get significant new insights into the operation and problems of the Soviet economy itself (though I did obtain such insights from other contacts in Moscow this time), with the exception of certain aspects of the operation and problems of Soviet foreign trade thanks to one particular conversation outside of the meeting room. This negative result was not unexpected, given the fact that the economists on the Soviet side of the Symposium were all specialists on the American (or Western) economies or on international relations. In fact, when the Soviet economists did speak out on the Soviet economy they turned out to be as poorly informed on its details as I am on the details of the American economy! (It may be noted that they did not always turn out to be very reliable predictors of US-Soviet trade, either. Thus Ivanov stated categorically that there would be no more major Soviet purchases of grain from the United States because the USSR did not need such imports any longer. It was only several days later that the aborted Soviet purchase of 3.4 million tons of grain made worldwide headlines!)

That the Soviets invest detente with a very definite meaning of their own is by now a truism. Nothing that I observed at the Symposium suggests to me that they have in a significant way modified their understanding of the concept of the objectives for which they are accordingly striving. It is in part because of this persistence in conception and purpose that (as I see it) the pro-detente elements in the Soviet Administration have for the past year engaged in charges against the American side for not holding up its end of the deal. The charges, both accusatory and plaintive, were continually voiced at the Symposium, mixed in the usual Soviet fashion with references to the various devils and wreckers on the American side (Jackson, Schlesinger) and thrust at us in a tone of arrogance. (A good example of this sort of thing is the latest article by Yuriy Zhykov, a leading journalistic voice of the regime in matters of foreign policy, as reported in the New York Times on 12 October.) One wonders what may be behind both the substance and the tone of these complaints and accusations. Can they imagine that such talk can have anything but counterproductive effects on us? One is led to surmise that the behavior is explainable by two factors. First, it is probably a manifestation of a kind of

Pavlovian reflex to disappointment, a reflex inculcated by decades of life in a society that adheres to devil theories of everything. Secondly, and for our purposes more importantly, the behavior may reveal the narrow limits of maneuver--in both space and time--that the pro-detente elements may have within the USSR, who may be constrained by palace politics to deliver the fruits of detente amply and quickly or face serious reversals at home.

The fruits of detente are to be largely economic: eventually through a reduction of defense expenditures but more immediately and realistically through the importation of American (and other Western) goods, technology, and capital. That this continues to be a prime objective of Soviet foreign policy was quite transparent (it seems to me) in the Symposium remarks of, say, Arbatov and Ivanov. But it was most succinctly formulated in Anikin's "summary" of the discussion in the economic section, presented by him on the afternoon of Friday the 27th. (I am placing the word "summary" in quotation marks because contrary to his intimation it was in no sense a summary of any discussion, let alone consensus, in the economic section; it was rather a prepared statement of the conclusions that the Soviet side wanted to come up with.) Anikin's main points, as reflected in my notes, were: (1) Economic collaboration is an important aspect of detente and a major condition of its success; (2) the two economies are mutually complementary; (3) owing to social differences, new institutional forms of US-Soviet economic relations must be devised, and it is up to the economists to propose them; and, lastly, (5) long-range and large-scale economic deals will play an important role in detente.

These and other remarks by the Soviet side at the Symposium shed some light on an issue that has lately been under active discussion among specialists in the United States--namely, has the marked improvement in the Soviet Union's terms of trade in the past year or two essentially eliminated the Soviets' need or desire to borrow on a large scale in the West? There is no doubt that the Soviet balance of payments in hard currency has greatly benefited from the recent price movements in the world market. Ivanov told me that the corresponding gain during calendar 1973 was of the order of \$400 million (excluding gold, but including diamonds), which is plausible, and may mean several times as much on an annual basis since

1973 (plus the better part of a billion extra from gold). This greater ease in terms of hard currency no doubt helps explain the putative Soviet negotiations for very large amounts of Western consumer goods, such as Brazilian shoes and even French wine (reportedly in millions of hectoliters per year). The Soviets have also been placing funds in the Eurodollar market lately. But does it follow that the Soviets have lost interest in Western credits, especially long-term ones? Their behavior internationally in recent months does not seem to suggest it; in particular, their reported readiness to compromise with the United States on the emigration issue (where the chief payoff to them will surely be credits). Anikin's remarks at the Symposium, and indeed the totality of relevant Soviet statements at the Symposium, do suggest to me that there is still a very definite interest in Western, especially American, credits.

(If a digression be permitted, one might point out that to state that the Soviet Union is for economic reasons no longer interested in Western credits is tantamount to asserting that the Soviet economy is in overall macroeconomic equilibrium. For otherwise any excess of requirements over available resources domestically would spill over into demand for h.c. imports. It strikes me as quite implausible that the Soviet economy is in fact in a macro equilibrium; i.e., that its overall requirements--as determined ultimately by political realities rather than by a monetary ceiling--do not exceed its own resources. More than that: a sudden major rise in the prices of its exports may have the "perverse" effect of raising the Soviet Union's readiness to borrow, because, by the same token, it now experiences a sudden reduction in its h.c. debt-service ratio. In addition, the prospect of further inflation in world markets would enhance the attractiveness of borrowing if repayment is in money terms.)

Among the (to me) more interesting things to emerge from the Symposium is the extent to which our Soviet counterparts are aware of the impact that US-Soviet trade may have on internal politics in this country. This much, for instance, slipped out in Ivanov's passing remark (in his first presentation) that one out of every two American states now provides goods for export to the USSR. Whoever ordered such an estimate to be made clearly was concerned not so much with the effects of the trade on the Amer-

ican economy as with its effects on internal American politics. This concern may also help explain the otherwise disproportionate emphasis on looking for new institutional ways of involving small and medium-sized American business in trade with the Soviet Union which surfaced several times in the course of the Symposium. To be sure, access to smaller firms in the United States would broaden opportunities for the Soviets and sharpen competition on the American side. Might it be that the Soviets now see big business as essentially friendly to them, but suspect that much of the opposition to economic benefits to the Soviet Union originates with smaller business in the United States, which at once is more protectionist and has a sense of being left out of the lucrative deals with the Soviets? Hence an interest in organizational arrangements that would allow the Soviets to exercise some degree of influence on smaller business, and thereby also enhance the Soviets' influence over the American internal political process. Indeed, it has seemed to me for some time that a major Soviet objective in the economic sphere of their detente strategy has been to swing American business--so far mainly big, but now also medium and small--into a friendly relationship with them so as to be able to influence our political processes through business. This is why those who insist that our economic bargaining position vis-à-vis the Soviets is not all that strong because they can obtain the same or similar goods, technology, and financing in other Western countries may miss the point by overlooking this political dimension. Italian or Japanese businessmen do not lobby in Washington.

I have dwelled so long on what I gained from the Symposium not only for solipsistic reasons but also because, I feel, the same points are of interest to SRI as well. Let me now proceed to some questions relating to possible joint/parallel research with the Soviets. My impression is that the two institutes do have interest in such research with SRI, but that this interest is limited in two directions. First, they want to start on a very small scale; second, they want it to be definitely limited thematically. Both reservations probably flow from the same set of concerns and doubts. There is probably a question of resources, especially manpower. While both institutes have large staffs, the better people and those who would be allowed out of the country are probably very few and are needed for regular

work. There may also be the feeling that the benefits would be one way: namely, that they have relatively less to learn from us than we from them simply because they have such full access to our publications and even unpublished works. They may fear that we would be pressing for more information, and since they will not be able to furnish it, the collaborative arrangements may collapse, with detrimental results to the institutes themselves. They clearly do not want--as Inozemtsev stressed--to get involved in strategic questions, perhaps because both the word and the thought are too sensitive in their domestic setting, and also because it is the official line to divorce strategic from economic questions when dealing with Americans (for obvious tactical reasons).

On the other hand, a certain amount of joint/parallel research with a prestigious American institution such as SRI may bring benefits to the individual institutes. If the research can be geared into the Soviet strategy and tactic of detente, then presumably each institute stands to gain some brownie points. Thus Arbatov is in favor of a project on mutual perceptions, which he probably sees as an extension of his lectures to us on how our Cold War mentality has distorted our understanding of what the Soviet Union and foreign policy are really like. Inozemtsev proposes an investigation of the "concrete obstacles to trade" on the American side, and (again) how to involve medium and small American business in Soviet trade. The fact remains that the institutes are arms of the Soviet Administration, which not only has very definite objectives vis-a-vis the United States but is still highly secretive (as Arbatov candidly emphasized), so that the possibilities of research (as we understand the word) with any Western institutions are still severely limited. This is not an argument against pressing for working contacts between SRI and the Soviet institutes. It is an argument for careful selection (and rejection) of topics, for scaling expectations to modest proportions, and for clear understanding beforehand regarding the publication of results. Actually, for the foreseeable future, the chief intellectual payoff on our side may well come not from the formal aspect of such binational projects but from the informal exchanges with Soviet scholars that may flow, in greater or lesser measure, from the common efforts.

Appendix R

TRIP REPORT: DR. LAWRENCE R. KLEIN

Appendix R
SUMMARY TRIP NOTES
L. R. Klein

September 22-25

Apart from the general group sessions that are being summarized for the whole visiting team, I had some interesting personal conversations with Entov (IMEMO) and Ivanov (IUSA).

Entov invited me to give a special lecture to his associates and superior at IMEMO. This took place on the morning of the 25th. I gave a technical lecture to the group on recent trends in economic modeling. Interest was intensive, but few questions were asked. I got the impression that their own efforts are quite rudimentary and small compared to the large scale system analysis that we regularly carry out.

In talking about our own model building effort with Entov (Soviet Model), he convinced me that we should treat consumption as a residual item.

Ivanov told me that the attitude in his Institute and among other students of the U.S.A. was now constructive. This contrasts with a prior time when it was automatically assumed and argued that anything American was bad or wrong--to be criticized.

He now feels that the target of the Soviet economy has been set back. This target is to match the U.S.A. in real, per capita GNP. Poor performance in recent years suggests that this target will be reached after 1990. This is later than had previously been thought to be the date. The long term growth rate of the USSR is now down graded to about five to six per cent per annum.

Ivanov is surprised by the co-existence of rising prices and rising unemployment in the United States. His theoretical analysis indicates that these two statistics should move in opposite directions, but now they are moving together and he is surprised.

For the USSR, there are gains from good oil prices on export markets, but these are offset, in his opinion, by price increases for basic imports.

He expects that the current five year plan will be underfulfilled by about five to seven percent.

Generally speaking, I find both IMEMO and IUSA to be well informed about the United States but not as well, in technical details, as they would have us believe.

As for our work on the Soviet economy through the medium of the model project, I think that they are overwhelmed and not yet ready to respond or give informative opinions.

Appendix S

TRIP REPORT: DR. ROBERT H. LEGVOLD

Appendix S

Dr. Robert H. Legvold

This summary has three parts: the first comments on the nature of the formal portion of the symposium, the second on its informal aspects, and the third deals with its specific personal professional usefulness. In all three parts I have included minor suggestions intended to add to the effectiveness of the exchange.

I.

Considering the formality of the setting in the Dom Soiuzov, the general agenda, and time constraints, it is satisfying that we covered as much ground as we did. In looking over my notes, an identifiable pattern of Soviet concern emerges and no doubt the formal sessions were viewed by Soviet participants as a place to communicate this. The pattern formed around roughly four areas:

(1) Economic cooperation: As might be expected this was a major theme of many Soviet presentations, all of them stressing that any real reformation of Soviet-American relations must depend, in part, on a repudiation of economic leverage as a means of compelling the other side to do such and such. They were obviously not going to debate the question whether in some circumstances the use of economics to political ends made sense. Second, in defending the idea that economic cooperation was one of the building blocks of a more stable world, at least one of them maintained that many of their own (common) people need to be educated. (When the question of trade comes up, "Why do we help the capitalists develop jobs for their people?") It seemed to be introduced to underscore the "educational task" that scholars and specialists have on both sides. (Here and elsewhere, however, it was clear that our Soviet counterparts regarded the Americans' task as more important.) Third, Soviet economists and noneconomists seemed to be genuinely concerned and confused over the seriousness of economic stability in the West. I leave it to the American economists

to specify how they developed their particular interests in the problem of inflation. But I was intrigued by the hints in one or two of the speakers' remarks that economic instability in the West carried the danger of serious political instability. The next (and unanswered) question was the extent to which they regarded that as undesirable and will contribute, however they can, to reducing that danger.

(2) SALT: Schlesinger was on their minds, to say the least. From all appearances--and this need not have been a ploy--they are incapable of reacting to the Secretary's January and February initiatives in any other than a doctrinal sense. That is, that the Secretary is developing a doctrine of limited use (their traditional problem of dealing with Western notions of deterrence remains evident), which reduces the psychological resistance to nuclear war and increases interest in developing "usable" nuclear weapons. Neither Shulman's argument that (1) the Secretary's purpose is ambiguous (and should not be viewed definitively in one light) and (2) that the issue has not been resolved, nor the argument that Schlesinger's ideas ought to be considered in several dimensions--e.g., (1) as moving doctrine away from MAD and toward increasing options in the case of catastrophe, (2) as an approach to arms control ("bargaining chips"), (3) as an attempt to rationalize the strategic balance and to deal with arms control comprehensively--seemed to make much of an impression.

Unless I am mistaken the problem relates to a second consideration introduced with less fanfare: toward the end of the formal discussions at least two speakers--both experts in the subject--confessed that the Soviet Union lags behind the United States in all the aspects of the strategic balance that matter. In short, for them the juxtaposition of offsetting quantitative/qualitative advantages is nonsense because the only one of the two that matters is qualitative advantage; the American ability constantly to up the technological ante means that the qualitative conversion of a quantitative advantage (which itself, in private, they dispute) is meaningless. This "confession"--particularly Proektor's second set of remarks--one or two of us were told privately had startled the other Soviet participants. Evidently they have been talking about this among themselves but not before outsiders. It

seems to me a "popularization" of the attitude that Brezhnev reflected before Nixon in their meeting in July.

It is in this context that the vigor of Soviet objections to Schlesinger's interest in expanding options probably should be understood: that is, in their minds doctrinal change is designed to capitalize on technology, the critical variable in which the United States enjoys a marked advantage. Considering the Soviet conviction that the American approach to strategic arms control is designed to protect the American qualitative lead, they have no difficulty explaining to themselves what Schlesinger (and probably Nixon/Ford) are up to. Incidentally, both in the formal sessions and in informal contacts, Soviet participants made it plain that they judged the American advantage not only in terms of technological lead (and that in ASW and accuracy as well as the MIRV, MARV continuum) but also more generally in terms of variety of deployment, nature of threat (i.e., China and West Europe), and the capabilities of allies.

(3) The Middle East: I noted several points, none, admittedly, entirely new: (a) All Soviet speakers, whether specialists or not, seemed to regard the Middle East as the most dangerous or explosive element in U.S.-Soviet relations. They appear sincerely convinced that war is again likely within the short term and, without being very specific, that a new war might seriously disrupt Soviet-American detente.

(b) They continue to object to the U.S. role as "central broker" in the Middle East and feel (witness, according to them, the effort at Jordanian disengagement) that Kissinger is not making enough room for the Soviet Union.

(c) Similarly they continue to believe that external pressures must be kept on Israel; thus, their opposition to some kind of preliminary arrangement between Amman and Tel Aviv--as prejudicing the success of Geneva--seems an extension of their earlier support for the oil embargo and partial reservations about the Suez and Golan Heights disengagement.

(d) They seem satisfied that the PLO is or will soon be willing to coexist with an Israeli Jewish State and, along these lines, they emphasize that they do not want a Palestinian State formed at the expense of Israel.

We did not, however, really try to discover their attitude toward "resource diplomacy" in oil, in general, or their interest in elaborating guidelines for superpower conduct in the event of another eruption of conflict in this area or any other.

(4) Detente: Although each of the above issue areas reflects the condition of detente, Soviet participants tended to deal with detente in broader, somewhat separate, conceptual terms. This was not always in a very helpful way--such as, for example, Gantman's urging to scholars on both sides to commit themselves to researching the "goals, criteria, means, and sources of detente," and leaving the matter at that. But there seemed to be something to the Soviet interest in dealing with detente as more than a momentary reduction in tensions or a tactical adjustment and something more to the Soviet reluctance to consider shades of detente short of either unconditional cooperation in those areas in which the Soviets want unconditional cooperation or a return to the Cold War. Thus, one of the more important Soviet participants stressed the significance of: (1) the striking evolution away from a basic posture according to which each side was committed to doing damage to the interests of the other and (2) the unacceptability of versions of detente which attempt to rationalize the use of force or make safe the resort to force in some circumstances. Obviously it serves current Soviet purposes to maintain a "maximum" position on detente but, at the same time, we probably should recognize that maintaining such a position for whatever reasons may actually affect the way they think about these phenomena.

To compress the discussion into these few categories does not do justice either to the range of the exchange or to the contributions of the American participants. Nor does it do justice to the relative directness, seriousness, and patience of members from both sides.

My suggestions for improvement are more or less obvious and will doubtless be expressed by others, both Soviets and Americans. The only way that the discussions can become more specific, cover more ground, and stimulate more give-and-take is to break the groups into smaller sections dealing with more narrowly focused topics. There are advantages to meeting always

in plenary session and mixing the contributions of a range of experts on the problems at hand; and presumably that is why the Soviet leadership wanted to keep all of us together. But, in the future, the product of the symposium (as opposed to the experience of the individual participants) is likely to be richer and more detailed if fewer people meet in more informal settings to discuss more limited topics. The transcripts of each section can be circulated among all participants, and leaders of each section from each side can draw up a summary of major themes--not conclusions, for that begins to imitate the unproductive side of Pigwash.

II.

One of the most valuable aspects of the symposium is the opportunity it provides for informal exchanges with various Soviet participants. Not only does this occur naturally because coffee breaks and social affairs are built into the program (alas, the long lunch breaks away from our Soviet hosts deprived us of one of the best occasions for this kind of exchange), but it is reinforced by the special circumstances in which it occurs: (1) with those who are attending the sessions it is easier to push a private conversation to some lengths because ideas have been flowing for hours or days and these can be built upon, (2) there is a special "legitimacy" to exchanging ideas in these circumstances, and (3) it is easy to see those who are not part of the session because the hosts go out of their way to "deliver" these people.

I would divide this opportunity into four categories: (1) the intense, frank, often revealing but too brief, exchanges over morning coffee. It is an excellent occasion to speak very directly with the more interesting Soviet participants. The results are among the most useful aspects of the symposium but they come in bits and pieces. (2) The social occasions which, with the exception of the opening reception, are not particularly good for substantive conversation. The toasts, the alcohol, the fair probability of ending up next to people with interests quite different from yours all tend to lead the conversation away from the subjects of the symposium. (3) The post-symposium

trip to Leningrad and Tallinn, although only with one or two Soviets, turned out to be a marvelous occasion for long and very frank conversations. Other than having individuals as personal weekend guests in this country, I cannot imagine circumstances that allow for more intense and far-ranging discussions. And (4) the individual meetings arranged outside the symposium with specialists who were not participating. I had an excellent three or four hours at the Institute USA with members of Davidov's European section. It was the most concentrated discussion that I had on the problems of European security and arms control in Central Europe, a subject that was not much touched in the plenary sessions. (There is no point in trying to summarize in a sentence or two fairly detailed and extensive discussions about a topic that only indirectly related to the main themes of the conference.)

In general, these informal contacts elaborated attitudes that were evident in the formal sessions. In some instances (such as SALT and policy-making in the United States) they went noticeably further and are reflected in the way I summarized the SALT problems above. In some respects they tended to cast a different light on questions raised in the plenary sessions--SALT, in particular, but also the special place that U.S.-Soviet relations occupy in the Soviet conception of East-West detente.

There was further benefit of the symposium that falls somewhere between the formal and the informal. Better than at any time in the past I came to understand the organization and nature of the two host institutes, the kinds of things on which they are working, where individuals fit within the hierarchy of their respective institutes, and even something of their role in policymaking. As our interest in the impact of various kinds of expertise on Soviet policy-making grows, this is likely to be helpful to specialists who study Soviet policy by following the published work of Soviet researchers--or "scientists," as they insist on calling themselves.

In this category, my only suggestion for improvement would be to ensure generous breaks in the formal sessions, arrange luncheons together, and

include more of the host delegation when the guests travel or go off on special activities. Not only is this an extremely productive aspect of the conference, but it is one way to get more out of the exchange without making the Soviets feel that they are working too long and too hard in the formal sessions.

III.

Finally, the symposium had multiple professional advantages for me personally from which I will note three in particular:

(1) First, it provided a dual opportunity for me to get some feel for the attitudes of Soviet specialists dealing with current foreign policy problems—on general topics from the symposium participants, on more particular topics from selected symposium participants and from specialists I sought out.

(2) Second, informally it was a fine occasion to ask a broad range of questions of interest to the teacher in this area: from questions on the druzhiny to alcoholism; from buying an automobile to taking a vacation. The opportunity to taste, smell, and look is invaluable and the symposium formed as good an occasion to do this as I have had.

(3) Third, and more important, it gave me a better sense than I have ever had before of the character, quality, and place of many of the specialists that I read regularly in my work in the States. Having a specific idea of who Henry Trofimenko is or Yuri Kostko, or someone else, how they think (at least, at one level), what their various responsibilities are, and what kinds of connections they are likely to have is immensely helpful if we are to escape the old habit of treating virtually everything read in the specialized Soviet press in uniform fashion.

In these respects the conference could scarcely have been organized in a more supportive way. In return perhaps it would be useful for Dick Foster, Mark Earle, and the other American participants next year to help various

Soviet delegation members acquaint themselves with American foreign policy research centers of interest to them. In the long run a mutual familiarity with nongovernmental "expertise" in each country is likely to go a great distance toward refining the differentiations we see in one another.

I'll not comment on the various joint research projects proposed to the two institute directors because I am not well-placed to do so. Several sounded very promising and may turn out to be an impressive practical measure of the exchange's potential.

Finally, as I have told Dick Foster, I had heard in advance that the senior people in the two institutes regarded the exchange with SRI highly and the reception that they gave us in Moscow bore that out. From my point of view it was an extremely productive and educational ten days.

Appendix T

TRIP REPORT: DR. HERBERT S. LEVINE

APPENDIX T

TRIP REPORT: DR. HERBERT S. LEVINE

I INTRODUCTION

These notes are based on both the separate sessions held by the economists and the general sessions of the Symposium, and also on the session the American delegation had with Dr. Gvishiani. The economists met separately on the afternoon of Wednesday, 25 October and the morning of Thursday, 26 October. A small subgroup of economists (Russian and American) also met (in Richard Foster's room) for a couple of hours on the evening of Tuesday, 24 October, to discuss the SRI/WEFA Econometric Model of the Soviet Union. In addition, it should be noted that on the morning of Wednesday, 25 October, Laury Klein gave a lecture to a small group of Soviet economists and graduate students in Dr. Entov's office at IMEMO.

II ANSWERS TO ECONOMIC ISSUES RAISED IN OUR PAPER

The Russian participants in the Symposium (especially in the opening remarks of Anikin) congratulated us on the thought and preparation that went into our paper. However, they indicated two problems. One concerned the length of our list relative to the shortness of the time available for discussion. The second was the fact that they are specialists on international economics and the economy of the United States, and thus are not in a position to answer many of our questions on the Soviet economy, especially the series of technical questions on econometric modeling of the Soviet economy.

Generally speaking, we got some answers to, or at least had some useful discussion of, the following questions (numbers from the economic section of our paper, "Issues for Discussion," 16 September 1974, pp. 6-11): 3, 5, 6, 8, 9, 10, 12, 13, 14, 16, 19, 24, 25a, 26b, and 26j.

In the remaining paragraphs in this section, a few of the more interesting points which were made in the discussions of our economic questions will be indicated.

A. Forecasting

Several economists from IMEMO discussed the topic of forecasting and its relationship to planning. They said there was no conflict between the two concepts. Forecasting was an important part of the work done in the early stages of plan construction. They also stated that while IMEMO does do forecasting in the realm of international relations, it does not forecast the Soviet economy.

B. Interdependence

We had rather extensive discussion of Soviet policy toward economic interdependence with Western economies. A number of the Russian participants insisted that official Soviet policy now advocates significant economic interdependence. Current Soviet programs for expanded economic relations are not short-term programs, but long-term commitments. They see themselves as involved in the world economy for the foreseeable future. The policies pursued in the 1930s, it was argued, were related to the threat of war that existed at that time. In response to questions about pricing methods related to how far they might be willing to go to foster interdependence, several Soviet participants argued they did not think it would be a good idea to directly tie Soviet internal prices to world market prices.

In the discussion, some of us pointed out that interdependence involved more than an increase in trade. It involved the commitment of economic structure to specialization and interdependence. Was the Soviet Union willing to take this step? Not much response to this question.

C. One World Economy

On a number of occasions, Soviet participants asserted that there was one world economy and that the Soviet Union was involved in it. Therefore, the Soviet Union was concerned about the health of the world economy.

D. Soviet Energy Resources

The general view appeared to be that Russia will be an exporter of natural gas over the next 10 to 20 years. But the picture in regard to oil was less clear. It was also stated that there are differences of opinion among Soviet people as to the desirability of selling nonreproducible resources to foreigners.

E. Impact of World Inflation

Several Soviet participants spoke to this point. Clearly the Soviet Union is both hurt and benefited by the increase in world prices. The costs of certain imports have risen as has the cost of credit. On the other hand, the prices of certain Soviet exports (including oil) have risen, and in some credit markets the Soviet Union is a lender. There was some disagreement as to the balance of these effects. One Soviet participant said that on balance the Soviet Union suffered from the world inflation; another said it benefited.

F. Soviet Statistical Series

There was a brief discussion of our question concerning which are the most and least reliable of Soviet statistical series. The response was that physical output series (especially in industry) are the most reliable. Price and value series are the least reliable.

G. Military Budgets

It was not totally clear from the discussion how much they had thought through the technical methodological issues concerning the measurement of

military expenditure. The Soviets did not contribute much to the discussion, but they may have felt constrained because of the subject matter. They did show that they had thought about the problem of substitution within a fixed total of military expenditures.

H. Consumption Equation in Model

In the brief technical discussion of the SRI/WEFA Soviet model, one interesting observation concerned the fact that we only included reported consumer expenditure in our model. A substantial proportion of consumer expenditures are unreported. This should be taken into account in the model.

III OVERALL DISCUSSION

Several points raised in the general discussion by the Soviet participants seemed to me to be noteworthy.

The model of international relations suggested by Gantman appeared interesting. It suggested that the present pause in detente was necessary to gather strength to thrust detente into its second stage.

Arbatov's comments on the 1972 grain deal were interesting. He said one side does not win all the time on economic deals. The Soviet Union won on the grain deal, but the United States won on the sale of Alaska!

The point was made several times that we have to define more clearly what is expected from each side in the detente relationship, so as to minimize disappointment with the policy. I think this is important.

It appeared rather clear to me from the discussion that the Gromyko proposal of a ten percent cut in military expenditures was meant to serve as a political gesture to demonstrate a commitment by both the United States and the USSR. It was not intended as a serious method to cut actual military expenditures--although in the longer run, it was hoped that it would contribute to that goal through the dynamics of a growing political relationship.

The brief session with Gvishiani, I feel, was quite valuable. It produced a number of interesting insights:

- Gvishiani's repeated reference to the Ministry of Foreign Trade as a "sales department",
- his depiction of the SCST as an organization with power to issue some binding orders to ministries and other bodies,
- his disclosure that the SCST has the right to reserve and allocate on its own two percent of the total science budget-- a sum that comes to 330 million rubles (.02 x 16,500mr)

IV REFLECTIONS ON THE SYMPOSIUM AND ITS FORMAT

Overall, I feel the Symposium was very productive. We learned only a little of substance that we did not know before. But hearing in Russia from Russians, and discussing and debating the issues with them, contributes to our perceptions. Moreover, we were able to assess individual Russians in ways not possible from their writings. In this regard the large number of Russian participants was an asset (in many other ways it was a liability).

I would make two major (though not startling) suggestions for the next Symposium:

- We should press very hard, indeed insist, that they include in their delegation one or two experts on the Soviet economy. Their economists have profited from the presence on our team of Klein and Fromm. We should indicate that it is grossly unfair that they not provide us with expertise on the Soviet economy.
- We should limit the Symposium to a small number of topics, perhaps two or three, and have a Russian and American paper on each topic, submitted ahead of time, to launch the discussions.

Appendix U

TRIP REPORT: DR. RICHARD PIPES

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Appendix U

TRIP REPORT: DR. RICHARD PIPES

The following are my impressions of the Symposium held in Moscow at the end of September 1974:

1. The Russians insist on the irreversibility of detente claiming that the only alternative to it is nuclear holocaust; they argue that there are no "positive" alternatives to detente but they are quite unwilling to be drawn into discussions concerning alternate interpretations of what detente might mean, e.g., Soviet acceptance of the Jackson Amendment within the context of detente suggesting that there are in fact many models possible.

2. A cardinal rule why they appear so "locked in" into detente appears to be the heavy reliance of their forthcoming economic plans on Western credits and technology. If massive Western aid were not forthcoming, they will have to make radical changes in their economic plans.

3. This is one of the reasons why they do not appear to be anxious for the time being to see major economic, social, or political upheavals in the West and indeed like to play down the danger of a major depression in the capitalist world.

4. They are aware that American public opinion has cooled towards detente but they have difficulty grasping the reasons for this development even when they are explained to them (e.g., their role in the October War and their grain purchases) and seem to suspect dark forces at play. Several indicated that they believed Senator Jackson would be our next President.

5. They brushed aside implicitly many queries about the purpose of their military efforts maintaining that "the Pentagon knows full well where the military preponderance lies."

6. On China they sought to convey the impression that the situation is well in hand and that as China "stabilizes" internally its relations with the USSR would inevitably improve.

7. I had a lengthy private talk on the Middle East with E. M. Primakov and a conference observer whom he introduced to me as Gen. Nemchenko and described him as a one-time military attache in Cairo. Primakov did most of the talking and seemed very nervous about the Middle Eastern situation. The General by contrast appeared confident and at one point said he was certain that the "objective factors of the situation in the Middle East" favored the Soviet Union as they did in 1954-55 when he had helped arrange the first Soviet-Egyptian arms deal. Primakov's anxiety stems from the openly acknowledged military superiority of Israel and tacitly acknowledged fear of Arab disloyalty. He sought to present the Soviet Union and its Arab allies as "moderate" claiming that the USSR knew nothing of the forthcoming Arab offensive until a few days before the outbreak of the war and that the Syrians and Egyptians had very limited military objectives in mind, mainly the recapture of the Golan Heights and the Suez Canal, respectively. If a Palestine state were created, Primakov asserted, its leaders would become much more moderate and responsible than they are at present.

8. The value of such exchanges seems to me to depend on the willingness of our side to speak bluntly what happens to be on our minds. We should not keep back questions or statements on the grounds that they may offend the Russians. One of the main potential benefits of such exchanges is that our point of view may filter upwards to the policymakers, but this can happen only if we speak and act as scholars and not as diplomats.

Appendix V

TRIP REPORT: HARRIET FAST SCOTT

Appendix V

TRIP REPORT: HARRIET FAST SCOTT

A. General Observations

1. Reception at Airport

On arriving at Moscow's Sheremetyevo airport, our delegation was met by the deputy director of IMEMO, Dr. Ye. M. Primakov, and the deputy director of IUSA, Dr. V. V. Zhurkin. The scientific secretaries of both institutes, Dr. Yu. A. Kostko and Mr. V. N. Krest'yanov of IMEMO and IUSA, respectively, were also there. Also present were several young assistants who aided in transportation, clearing customs and translating.

2. Hotel Accommodations

Hotel accommodations were at the Sovyetskaya Hotel, considered by most to be the best of the prestige hotels in Moscow. Small and quiet, the Hotel Sovyetskaya has in the past housed Mrs. Powers, the wife of Gary Powers, who was in Moscow during his trial for spying after the U-2 incident in 1960; it has served as the home for the first American protestant minister and family; and for many years was the headquarters for TIME magazine's Moscow Bureau. Meals were served in the spacious dining room at a table in constant reserve for the group. This table has been noted before as being the table used by the Soviets for wining and dining foreigners and is presumed to get "special" attention.

On returning from Leningrad and Tallinn, the group was given rooms in the Rossiya Hotel next to Red Square and the Kremlin. 3,000 Canadians were also in the Hotel having come to Moscow to support their hockey team in its final matches with the Russians. Members were scattered over 4 floors. At all times it was noted that Mr. Foster, as head of the delegation, was supplied with a suite of rooms.

they have had 20 U.S. scholars as guests for 2 to 3 weeks. There have been 400 guests for 1 day. There are 12 aspirants; this year only 4-- altogether about 20, including those doing research.

4. Place of Meetings

Meetings were held in the Dom Soyuzov, next to the Bolshoi Theater. Simultaneous translations were used, with the Soviets all speaking Russian. The translators were housed in a soundproof glass box, with sound coming from small portable receivers with individual earpieces. (These appeared to receive only when kept in an upright position which was difficult to maintain at all times, especially when taking notes, opening notebooks, etc., so that there were many "plops" as they fell over.) The translators were excellent and managed to handle even the most intricate vocabulary in a competent manner. Taping was done from a master control panel located near the box.

It was understood that the proceedings would be taped and either tapes or transcripts would be available to the U.S. side when the symposium was over. After some denial on the part of the IMEMO scientific secretary, it was confirmed that the proceedings were indeed being taped as agreed and tapes would be sent by October 15th. IUSA supplied biographies of all its participants but again IMEMO was unprepared to do the same. However, when pressed, this too was agreed to.

5. Relations with U.S. Embassy

The U.S. Embassy very kindly offered the U.S. delegation space in which to hold a preliminary meeting the day after our arrival. Offers to assist in any helpful way were made promptly. Two representatives from the Embassy attended all the sessions of the symposium, and invitations to cocktails, dinners and extra meetings were proffered by the Soviets. On Friday night following the final session, the Charge d'affaires, Adolph Dubs (Minister-Counsellor), hosted a cocktail at Spaso House, the U.S. Ambassador's

home, (The Ambassador, Walter J. Stoessell, was on home leave.) All the Soviet participants, including Professor Arbatov, attended. This was a very pleasant, friendly note on which to end our meetings, and was deeply appreciated by the U.S. delegates. The Air Attache, Col. Donoho, hosted SRI attendees at dinner.

6. Social Functions

"Never a dull moment..." might well characterize our time in Moscow. Within a few hours of our arrival, jet-weary travellers were entertained at Moscow's most famous restaurant, the Aragvai Georgian restaurant just off Gorky Street. There, in a private room, Drs. Primakov and Zhurkin (who had headed the Soviet delegation to the United States in 1973) hosted a most tasty repast replete with traditional vodka toasts. The diners barely had time to recover from this before attending the ballet "Giselle" at the Bolshoi Theater that evening. For those still on their feet, a light supper was served at the hotel after the performance.

Monday night, the entire Soviet group entertained us at a reception in the Blue Room of the Sovyetskaya Hotel. Tuesday night's entertainment was either the Bolshoi or the Kremlin Palace; Wednesday, the Kremlin Palace or the Puppet Theater; Thursday, a dinner was given in our honor at the Slavyanskiy Bazaar, the most popular restaurant in Moscow. We were entertained in a private upstairs room decorated in the fashion of a Russian peasant home. Balalaika music completed the rustic setting. Dr. Primakov acted as the "Tamada," or toastmaster, calling on each in turn to propose a toast. Since the guests numbered some 50 persons, overexuberance could have proved fatal. However, liberal helpings of the endless food courses helped all survive the evening without difficulty. Friday, as already noted, the Americans treated the Soviet hosts. And, at 1157 P.M., eight remaining members of the U.S. delegation departed for Leningrad on the Red Arrow Express on their way to Tallinn where we were to be guests of the Estonian Academy of Sciences for two days. Dr. H. A. Trofimenko of IUSA accompanied us all the way.

7. Departure

Departure early on Wednesday October 2, was typical bureaucratic red-tape. One must turn in one's rubles, an impossible task when lines are very long and only two windows work very slowly. This perhaps was fortunate, for excess baggage charges were staggering, requiring the pooling of all our remaining rubles, plus additional ones. This was not accomplished in a simple orderly fashion, but with something akin to hysteria as the time for the plane departure came ever closer. Drs. Primakov and Zhurkin were on hand as was Dr. Henry A. Trofimenko and our two faithful assistants. Customs was no trouble, happily. A slight juggling of the windows at passport control delayed us until we almost missed the final boarding. Still, we did make it, thanks to KLM's splendid passenger-oriented service.

B. Personal Observations

Five percent of IMEMO work classified. One Soviet used my version of Military Strategy so that he could see what changes had been made between the editions. Who would the United States support if there were trouble with China? Whoever attacked first, we would support the other side. By 2000 A.D. there would only be 10 percent of the world population who would be white like ourselves. Col. Rybkin's much publicized book, War and Politics, never was published, but had I seen Gen. Lomov's book to which Rybin had contributed? (Scientific-Technical Progress and the Revolution in Military Affairs, The Officer's Library Series, Voenizdat, 1973.)

This reporter carelessly left a cosmetic case on the Red Arrow train on arriving in Leningrad. It was not noticed until we were attending the Circus in Leningrad that evening. Even worse, we were due to depart for Tallinn at midnight. Robert Aloyan, the deputy scientific secretary of IMEMO, rescued it for me. He told me he had gotten the director of the Circus to somehow use the "ObKomPart" teletype (translation: the Regional headquarters of the Communist Party) to contact Moscow. My cosmetic case was located and put on an express train and delivered to me from Moscow

before we departed. Needless to say, I promised to cause no more trouble, and keep close watch over my things. I was, however, more than intrigued that the Party had been called in to rescue my cosmetic case.

One Soviet wanted to know if I had met Alexander de Severskiy. What had happened to him, he had been so prominent right after the war, they asked. He was considered to be quite a strategist. (He had just died.)

It was noted that Gvishiani, deputy chairman of the State Committee for Science and Technology (GKNT), used a gold cigaret lighter conservatively valued at \$600. Suave and glib, Gvishiani is a man of action and ambition.

The final day of our stay in Moscow, we met with Professor Inozemtsev at IMEMO. Inozemtsev objected to the name "Strategic Studies Center" for our SRI Washington Office. It smacked of military, since strategy, according to Inozemtsev, invariably meant military strategy. This was surprising since the Communist Party uses the terms strategy and tactics continually to describe its activities. The Scientific Secretary presented SRI with a dozen books recently published by IMEMO and IUSA, a most welcome gift.

The mystery of Red Square was also solved by Dr. Zhurkin. The pine trees along the Kremlin wall had grown so high they obscured the wall where many famous personages have had their ashes interred. The tribunes at the left of the Mausoleum had not been rebuilt while the ones at the right had. A few blocks of marble in the Mausoleum itself needed to be replaced. Some of the mass graves by the Kremlin wall lacked a full list of names of those buried there. And finally, the street itself had suffered because of the heavy tanks which ran over it during parades, and some strengthening of the road bed had been accomplished. All this could be seen from the 22nd floor restaurant where we were eating.

Arbatov noted that if Russia had neighbors like Mexico and Canada, they wouldn't have to have secrets.

Inozemtsev protested that IMEMO did not do policy papers as reported in the West. Another Soviet said that the United States had over-reacted during the October War in the Middle East by calling the alert.

A great many of the researchers at the institutes are former journalists or radio men. There are close ties with MID (Ministry of Foreign Affairs.) One of the men had worked with UNESCO in Paris. A number of them had worked together 20-25 years ago in the press corps abroad.

C. The Trip to Leningrad and Tallinn

1. Leningrad. We arrived in the morning and were housed in a pink suite at the Astoria Hotel--the "ambassadors'" hotel--on St. Isaac's Square in the center of Leningrad. After a good breakfast, we were taken by bus on a tour of Leningrad. Our guide was a charming young brunette named Tanya, who wore a red mini-skirt which looked good on her despite her solid build. She was a teacher of English at the University, she said. Peter Vares and Robert Aloyan took care of our needs, while Dr. Henry A. Trofimenko of IUSA hosted our tour.

After lunch, the group departed for Petrodvarets, the beautiful palace with the fountain park on the outskirts of Leningrad. Others renewed their acquaintance with the city, visiting stores on Neva Prospect. In the evening, the group went to the Circus, always a treat. After dinner, we departed by train .

2. Tallinn. Accommodations in Tallinn were in the new Viro Hotel, which was designed by Estonian architects but built by a Finnish firm employing Finnish and Swedish workmen. Because of this, it was a most comfortable place to stay. We were met by the President of the Estonian Academy of Sciences, and taken to the Academy to meet several institute directors. A tour of the old city by its chief architect followed. A side trip was taken to Pirita to visit the bowl where singing festivals and competitions are regularly held. In the afternoon, after a wonderful

dinner at the hotel, we journeyed to Saku State farm and were taken through the dairy barns. Sunday evening, we were treated to a splendid repast at a hunting lodge outside Tallinn, with sauna. This marvelous institution, according to our hosts, was imported by the Finns from Estonia, not the other way around. (Finns and Estonians are first cousins.)

On Monday, we visited the Estonian Council of Ministers, then met with the chairman of the Estonian Gosplan. After a few free hours, we had a light supper before taking the train back to Moscow. Estonia is a lovely country, quite different from other parts of Russia. Many have relatives in the United States. On Monday morning, we had visited the Polytechnic Institute and were surprised to see the young male students sporting hair down to their shoulders and most of the students wearing blue jeans. In fact, it made us quite homesick to see campuses so like our schools in the United States. Few students had beards, however. The head of the school was quite proud of it and gave us pamphlets extolling its virtues. Dinner on the train in the dining car was enjoyable. And by morning we were back again in Moscow for our last day.

E. Comparisons

1. In April 1973 the First Symposium in Washington between SRI and IMEMO/IUSA was held. Drs. Primakov and Zhurkin had headed the small group as follows: Dr. Entov, an IMEMO economist; Dr. Ivanov, a IUSA economist; Mr. Fedorenko, a young IMEMO associate at the U.N. in New York; Kr. Kostko, the Scientific Secretary of IMEMO; and, Dr. Kulish, the military/political international relations specialist of IMEMO. The small group met with 10 American counterparts for a four-day symposium. On its conclusion, the group was flown to Menlo Park to visit SRI's main offices and meet with President Anderson.

2. In Moscow, the Soviet side swelled to nearly 30, while the U.S. side was 14--double the number of Soviets attending the previous year. Unfortunately, the diverse interests of the group and the shortness of time

(Thursday was Yom Kippur, a religious holiday observed by several of our U.S. group) made the discussions rather unwieldy. It was also bilingual, a benefit for the Russians, but a strain on the U.S. delegation, some of whom did not speak Russian. It was, however, worth the effort, for a great many Soviets, otherwise unapproachable, managed to take part. Organizationally, there was much to be desired. Questions were never answered, or answered so much later that the original context was lost. Smaller groups, broken down by interests, are a must. The Soviets work from 10 to 7, while the Americans are used to a 9 to 5:30 routine. Thus, the Americans were ready to close up their briefcases and head for home just as the Soviets were getting warmed up for a good discussion. Attempts to start at 9:30 in the morning never got any support from our hosts. Why were we always rushing? These cultural differences should be taken into account at future meetings.

As most visitors to the Soviet Union soon learn, a good time runs out before your curiosity is satisfied. There is somehow always the hope that next time, you will learn what it was you came for, you will see what you came to see, or you will meet the elusive Soviet official and they will discuss the subject you are so interested in. There is always the next time...

Appendix W

TRIP REPORT: DR. MARSHALL D. SHULMAN

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APPENDIX W

TRIP REPORT¹: DR. MARSHALL D. SHULMAN

. . . There is, first of all, a methodological problem which has developed here. We are dealing with the research community. There is a question of how much we can learn and how you evaluate what you learn when talking to the research people who support the Soviet policymakers. Of course these are the people who are accessible to us and we have to make the best of this opportunity. The problem is also complicated by the fact that the positions taken in the public sessions are not necessarily to be read as their considered views nor as official positions. For example, it is a mistake to say that because one of the men in a public session advanced a primitive view that this represents the outer limits of his thinking or understanding. We know from our private conversations that this is not so. There is no science about deriving their formal analytical positions from what they say publicly or privately. It comes, I think, from having contact with them over long enough periods of time so that we can develop a certain rapport of communication and so you and so we can trace the changes of position over time. In a way contact with these people is a bit like the Rohrschach test--you tend to see in it what you bring to it.

I think these people in the Soviet institutes are interesting and very useful, for one thing, because their role is increasing year by year. They are growing larger and the indications are that they are having influence, particularly as to the questions Soviet leaders are asking in relation to the United States. In many respects the conference participants are in the forefront of some of the critical policy questions. Some seem to be in stronger positions, particularly the heads of the two institutes, IUSAC and IMEMO. Further, these men are reinforced because they are involved together in kind of a close old boy network. A large number of the people

¹This statement was extracted from the transcript of the October 18, 1974 interagency briefing on the Soviet symposium from Dr. Shulman's remarks. It was not a prepared trip report, and several editorial changes have been made.

involved in these institutes are classmates or were within a few years of each other at the Institute of International Relations. They are young; for the most part they are in their 50s or younger--and they have an informal network of communication which is a very important one. One should keep in mind that among them are people who rotate; there are people who are involved in the nomenklatura. They rotate through jobs abroad, in embassies or in journalism or in the Academy of Sciences or in the Central Committee staff. Through those rotations they have contacts and communications which mean that their role is not a static one and in some cases they are plugged into a wide network or a grapevine of communication. This is even more interesting once you develop enough rapport or have enough understanding of yourself in order to know how to read what it is they are saying to you even in their more hackneyed communications.

I want to briefly highlight a number of aspects of the political strategic discussions that seemed to be interesting. I had last been there in July and they I stayed on after the SRI meeting and just got back the day before yesterday. And I planned to go back again in April and what this does is to give me a chance to check over changes in attitude over time. The striking thing to me was how greatly the situation has changed between July and this time of our meeting. It was very striking to me how uncertainty now prevails to a greater extent. Two principal factors were involved here: one was their reading of the U.S. situation and the other was their reading of the world economic situation. It seemed to me that they had not yet a settled judgment on either of these two questions. A major question, and I thought accordingly, was how to read the Ford Administration. How to read its capabilities for decision and action, its developing strength, and their tentative judgment seemed to be that it was not likely to be able to take significant positions in SALT or in other deals now. This, I think, strengthened their own inclinations toward a dilatory response on SALT and other issues. They are, as someone else suggested, deeply concerned about the cooling support for low tension relationships here in the United States. They are trying to understand it and they are trying to improve it as much as they can in their contacts

with American businessmen. On the second question I think they are startled by the rapidity with which the world economic picture has been changing and are concerned about the political consequences. The instabilities in the world monetary relations, inflation, the price of oil, all of these presents them with very deep uncertainties. Clearly there are some advantages and some disadvantages and in both these institutes they have inaugurated major studies and reviews of the assumptions underlying their positions affected by these changes. There will, I think, within a period of up to six months be a number of publications coming out that will embody these studies. They involve revisions on the work that they have done on major conceptual problems including the nature of contemporary capitalism, structure of corporations, the role of multinational corporations.

Questions about the nature of power and the configurations of power have been of tremendous interest. The structure of the international system itself repeatedly crops up and its relationship to the nature of security. These are all under active examination along with the studies that were initiated around the time--just before the 24th Party Congress meeting with what they referred to as NTR, that is the Scientific-Technological Revolution. And books from these studies are beginning to come off the press now but they are already out of date. The tentative impression that I have is that, for the moment at least, they read the official position as being that though these instabilities in the international plane are interpreted in familiar ideological terms, though they are likely to offer them some opportunities for exploitation that on balance it offers more risk than gain. Their tentative position is that their major interest is in stability and they are afraid of the incalculable consequences of instabilities in money markets and in the political situation. Particularly because they feel that the key question to them is the development of their own economy and that the flow of advanced technology and the goods from the U.S. and the west is the key consideration and that it would be short-sighted to jeopardize that for the sake of gains which would be of lesser significance.

In touching the highlights I would like to touch a few in the military field. The sectors that have been established are both stronger in some ways and weaker in others than they were in the last year or so.

There are some competent men now, in the historical sense. They have gotten rid of Larionov, and Milstein is a great improvement, really a very able man. Semeyko and Sviatov both have some intellectual quality. Trofimenko also has, despite what he has written, a pretty good understanding of the western strategic literature. In IMEMO now in place of Kulish they have Astaf'yev, a retired admiral. There is also Bykov, who although he slings the lingo, is not a strategic specialist. He is the man who is the head of the international department and the military sectors under it. But for one thing he is not an independent thinker, he is a very cautious man. He is very bright but I would not rate him as a strategic thinker. Whereas Astaf'yev and Proektor have ideas of their own and they were among the the seventy people that I have talked to in the last two weeks in a private session and I found it very interesting to talk to them. Kaliadin also works in that institute but not in that section, and has done some interesting work on the problems of proliferation. Tarabayev, the head of the military section, is a man with a background in international law and used to work with UNESCO and then worked in the general staff where he had political-military background. He didn't seem to be interested in strategic questions. The weakness here though is that both of these institutes I think have gotten a little bit skittish about the discussion with their military sectors of hardware and doctrinal aspects. They feel comfortable by having you talk about politics of strategy but uneasy about having to get into discussion about military doctrine or anything relating to hardware. The movement out of Kulish obviously would be putting them under restraint in at least the public discussions. It is clear, though, that their thinking in relation to arms control is still very much reactive and very little creativity and originality is in evidence. They have not done much homework since the July summit meeting. They conceptually have not gone very far in their thinking about what equal security really means in operational terms and what an asymmetrical balance might look like, though they know what they don't like. The problem is, the central hang up right now as Tom Wolfe suggested, they really haven't faced the question of a prolonged asymmetrical balance of nuclear warheads with the United States

because they are inclined to think that the numerical advantage doesn't give them that much practical advantage. They downgrade it considerably compared to our own estimates. There were some interesting sidelights. To mention one, they were asked for a definition of throw weight and there were obviously some uncertainty here on the way we use the term and the way we distinguish payload. And we had to send some cables back here in Washington to try to get a definition for them. It came back in such terms that I didn't understand myself. But there is clearly a lot of homework to be done on that kind of thing.

Now just a few words on the political situation as it appeared to me from what has been derived from these conversations. I had the impression that the challenge to the present party line was scattered and not organized. There did not seem to be any serious opposition; there is opposition but as I said it did not seem to be serious. Such as there is it is largely heard from the older people and of course from the traditional centers of the conservative view and the ideological apparatus. There is widespread acceptance of the current fundamental keynote, namely that the future of Soviet power requires preparing the Soviet economy, upgrading the Soviet economy and the application of the modern revolution of science and technology. I think basically that this is the number one problem and this requires a lot of attention. They realize that their relations with the United States is now going through significant changes and may never return to the first fine careless rapture of May 1972. Nevertheless it seems that they are set on this course barring great perturbations. But they are constantly beset by the operational bureaucratic problems. I would like to give just one illustration from our discussions which seemed interesting to me. In their response to the debate we had about most favored nation (MFN), the only problem that the people we talked to were concerned with was that they had been engaged in a running argument with Gosplan about getting plants assigned for production of manufactured goods for sale in Western markets. These plants are subsidized and Gosplan was very reluctant to do it, thus they had a running argument. As the debate about MFN heated up here, their difficulties with Gosplan worsened. Some of our people I think you will see feel that the level of competence

and knowledge in the Soviet institutes about the United States is quite low. I think as I compared the situation from a few years ago it has come a long way. Certainly in terms of the detailed factual knowledge on how the primary systems work etc. there is an awful lot of expertise around that wasn't there a few years ago. Compared to the stuff that was written before, much of it now has a lot more information in it. What eludes them essentially is the dynamism or understanding of what plurality of power is and of course it was very difficult in Watergate for them to see many of its developments as resulting from accidental events.

Still I am impressed by the improvement. The USA institute is now approaching 300 in its total staff the IMEMO staff I think is well over 600. It would be hard to mention an institution with an equal level of competence with the people in this country.

I felt among the many conferences I did go to that this one was one of the good ones; that this was one of those red carpet jobs. They laid themselves out for us and they used their good people and everything fell into place.

3. Visits to IMEMO and IUSA

Monday was reserved for visiting both institutes. First, the group went to IMEMO, a rather difficult task since the street in front of their building was under remont. This meant a short walk over rough terrain to reach the front door. The meeting was held in the large conference room on the 2nd floor and was attended by many members of the senior staff. Primakov introduced the staff and we in turn were introduced to them. A history and structure of the institute was given and questions concerning funding, task forces, etc., appeared to be answered without hesitation.

IMEMO has 10 departments and 4 (?) independent sectors. There are 3 deputies: Ye. M. Primakov, V. Ya. Aboltin and V. A. Martynov (all three are Doctors of Economic Sciences). IMEMO works closely with the Central Committee of the CPSU, the Ministry of Foreign Affairs, the Ministry of Foreign Trade and GosPlan. The monthly journal MEIMO, has a circulation of 50,000. There are some 500 on the staff. 60 are doctors of sciences while more than 250 are candidates of sciences. 90 to 95 percent of their work is according to the plan initiated by the institute whereas 5 percent is on request. There are a number of scientific councils, one general. IMEMO is the primary institute while IUSA and IEWSS (Institute of the Economy of the World Socialist System) were secondary.

IUSA (recently described quite thoroughly in their monthly magazine, USA: Economics, Politics, Ideology), was established in late 1967. It now has 270 on its staff. It is divided into 5 departments, three of which have six sectors in them. The average age at IUSA is 29. They will level off in the future at 350 persons, less than half of them professionals. There are three deputies: V. V. Zhurkin, Ye. S. Shershnyov, and Vagin. The monthly magazine has a circulation of 34,000. The institute looks at the USA in relation to the outside world. On October 1, the institute added Canada to its title, and is now the Institute of the USA and Canada. Half of the professional staff has been in the United States for more than 6 months, at the U.N. or the embassy or under the auspices of IREX. In 1974

Appendix X

TRIP REPORT: DR. THOMAS W. WOLFE

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Introduction

This brief trip report is intended merely to supplement the more comprehensive group report to be rendered on the 23-27 September 1974 symposium in Moscow involving the Soviet side members of Arbatov's IUSA and Inozemtsev's IMEMO, and on the American side Dick Foster's SRI group, plus several scholars from other institutions. This report makes no attempt to cover all of the issues discussed; rather, it concentrates on my own perception of Soviet attitudes displayed on a number of central issues of interest to me. The last section of the report also contains some miscellaneous impressions and information deriving mainly from face-to-face conversations outside the regular conference meetings.

I. Conference Issues

Detente

The general line toward detente displayed by the Soviet side can be described as follows: detente thus far has yielded positive benefits; it presently has slowed down somewhat owing mainly to foot-dragging by some circles in the West; new momentum must now be imparted to detente, but this may not succeed if anti-detente elements in the West, especially the United States, persist in seeking one-sided political, military and economic advantages.

One should note here that the particular group of Soviet representatives at this conference probably reflects what is known as the Brezhnev approach to detente, and thus has a certain stake in the "success" of the detente policy line. When question was raised at one point by the Americans as to whether there are some segments of the Soviet leadership with a negative attitude toward detente, no answer was forthcoming.

At the beginning of the conference, a rather visionary note was struck by several Soviet speakers with regard to where the detente process can be expected to lead, namely, to a "restructuring" of international relations in which there will be a further "transition to socialism" and to a genuine "collective security system" as a replacement for an international order based on "balance of forces and mutual intimidation." After an exchange in which the U.S. side (Foster) pointed out that there is a "total unreality" about imminent transition to a socialist world and its brand of collective security, and that the conference should concentrate on "getting from here to there" rather than trying to describe a distant future (Becker), the Soviet side (Arbatov) conceded that no "easy transition" to a socialist world is in prospect and thereafter the detente discussion focused on less distant horizons.

Among comments offered by the Soviets (Gantman) was that the Soviet Union has a "consistent" program for furthering detente (as enunciated at the 24th Party Congress in 1971), whereas the United States lacks a comparable "detailed strategy of detente." Another Soviet point stressed by several speakers (Arbatov, Profinmenko, Bykhov) was that while detente represents the "gradual replacement" of confrontation by cooperation, competition will still continue, and what is needed is to channel it away from "threats and pressure tactics," or attempts to "solve differences by military power."

A contradiction in the Soviet attitude toward the role of force in international relations was noted by the U.S. side (Pipes): while on the one hand Soviet spokesmen at the conference were deprecating the role of force, Soviet literature on the other hand continually refers to the importance of force to restrain imperialism and credits the shifting "correlation of forces," including military power, as a major factor contributing to detente. I found it interesting that no one on the Soviet side responded directly to the invitation to "clarify" this contradiction, although in a sense Arbatov merely reinforced it by observing that strategic parity had "obliged the imperialists to consider how to live with the Soviet Union." He added that, militarily, "the Soviet Union does not want supremacy for itself."

My net impression of the Soviet delegation's handling of detente matters (of which the above is only a sketchy rendition) is that the Soviets were essentially probing to learn how high a price American opinion might ask for getting on with further detente ventures. This seemed to come through in a question put by Gantman who, after observing that some circles in the United States and the West have been claiming that the first phase of detente has favored the Soviet Union, then asked: "Does this mean that the next phase of detente must give advantages to the United States?"

The "Schlesinger Doctrine"

The U.S. strategic policy approach associated with Secretary Schlesinger received well-orchestrated opposition from all the political-military speakers on the Soviet side, though their attacks were mainly on the Schlesinger "doctrine" itself and its implications for detente rather than ad hominem.

Initial criticism from the Soviet side was somewhat broad and general, to the effect that: (1) there is a "certain resurgence" in the United States of strategic viewpoints that had once been rejected; (2) these viewpoints are not consonant with detente, with the principle of "no unilateral advantage," or the prevention-of-war agreement; and (3) the new doctrine on "flexible use of strategic forces" makes war "more possible," while the counterforce programs can be interpreted as an attempt to threaten the Soviet Union with a "disarming, first-strike strategy." (On this latter point, at least one Soviet conferee (Krestyanov), later lodged a more specific indictment, charging that the Schlesinger doctrine must be taken as a "first-strike doctrine"--since "Schlesinger won't hit empty holes.")

After an exchange in which the U.S. side (Wolfe) pointed out, by quoting Marshal Grechko, that the Soviet Union has consistently stated that its Strategic Rocket Forces are intended for counterforce strikes against U.S. "nuclear-delivery means" and other military forces, and that therefore the Schlesinger proposals might be more properly interpreted as "convergence" toward a well-established Soviet position and movement away from the

"mutual assured destruction" concept that has always been distasteful to the Soviets, the discussion narrowed down to what appeared to be the most sensitive area of Soviet concern.

Conceding (Semeiko) that Soviet doctrine calls for counterforce strikes in the event of "all-out nuclear war," Soviet speakers asserted that there is no Soviet doctrine for "limited nuclear warfare" in that part of the spectrum between general nuclear warfare and small-scale conventional conflict. What the Schlesinger approach is aimed at, the Soviets charged (Semeiko, Astafiyev, Bykov, Trofimenko, Projector), is to restore the political leverage of strategic forces in this part of the spectrum, and thereby to "intimidate" and "dictate" to the Soviet Union.

Various terms used by the Soviets to describe this aspect of the Schlesinger doctrine, which appeared to be its most objectionable feature in their eyes, included the following: an attempt to gain "partial supremacy" by qualitative weapons improvements; an attempt to make "mini-nuke war" respectable; an attempt to get "unilateral military and political advantages" at "lower levels" of conflict.

In face-to-face conversations outside the formal meetings (particularly with Semeiko, Sviatov, Astafiyev and Zhurkin), it was evident that these individuals had a strongly emotional reaction to what they perceived as an American effort to "put pressure" on the Soviet Union via the "threat" of limited and selective use of highly accurate nuclear weapons. When I observed, both in formal session and privately, that Soviet doctrine is essentially similar to that ascribed to Schlesinger in that it calls for "balanced forces" prepared to wage either conventional or nuclear warfare at various levels of conflict--and that if neither side commits aggression, then there will be no problem and mutual deterrence will in effect remain intact--this rationale got nowhere. The Soviets seemed to feel viscerally that their security was threatened by American doctrine and programs, but were either unwilling or incapable of seeing that their own doctrine and programs might disturb the other side.

The difficulty of getting the Soviets to engage in a dialogue in which the effects of their own programs on the other party would receive "equal time" was evident throughout the symposium. When this was a matter of the Soviet side simply not being informed about the details of their own programs, or when it was a matter of studied conference tactics to keep the Americans on the defensive, was likewise difficult to determine.

The standard rebuff to what in my opinion were relatively unaggressive and polite American attempts to bring Soviet programs into the discussion was the line that the Soviet institutes are chartered to study U.S. activities and other phenomena abroad, but not the Soviet side of the equation. (The secrecy syndrome, about which more will be said later, was also cited as a quasi-legitimate barrier to two-way discourse). Another riposte through which the Soviet side fended off the discussion of Soviet weapons programs and policy was the assertion that one must distinguish between "genuine" security concerns such as those enumerated by Soviet spokesmen and "artificially-contrived" concerns such as those advanced by certain circles in the United States to justify the Schlesinger doctrine. But there also seemed to be on the Soviet side a feeling that the conference participants were so far removed from the real seats of decision that it made little difference what might be said about Soviet weapons and how they might be used. This was epitomized by Admiral Astafyev's comment: "Why talk about how a war would be fought? We don't have influence on how the rockets will be targeted. They will aim at the heart."

In connection with Soviet reluctance to discuss or clarify various aspects of their own strategic policy, I found it noteworthy that they did not come forward to support one set of American views against another when the opportunity was offered. For example, Shulman at one point observed that he had a different view than Wolfe on the counterforce aspects of the Schlesinger approach, but that the lack of clarity in Soviet doctrine between deterrence and counterforce hampered those like himself who wished to discourage the development of counterforce capabilities. There was no responsive clarification from the Soviet conferees to help him out.

Similarly, the Soviets declined to respond directly when Shulman posed what must surely be one of the salient questions bearing on the current round of SALT negotiations. Noting that the Soviets are for "equal security," Shulman asked whether this means that they will insist on equal numbers of MIRVed missiles, or whether they may be prepared to negotiate an agreement in which their superior number of missile launchers and throwweight would be offset by fewer MIRVs so as to achieve a "balance of capabilities" between the two sides. Without some such formula, Shulman indicated, he thought the chances for agreement were poor. Realistically, one could hardly expect the Soviet conference participants to state the Soviet position in categorical terms, but their silent treatment of this opportunity to at least explore the pros and cons of a pivotal strategic issue in SALT seemed to illustrate again the difficulty of keeping a candid two-way dialogue going in the strategic field.

I should add here, however, that the Soviet side did not completely ignore the Shulman query. Somewhat later, for example, Krestyanov noted that "Shulman wants a limit on Soviet MIRVs." But, said he, "what concessions is the U.S. prepared to offer? This should be the focus of our attention." Arbatov also at one point interposed a statement bearing on the question of a "balance of capabilities," when he asserted that the Soviet Union does not enjoy a "quantitative margin" in strategic forces if strategic bombers are taken into account rather than comparing missile systems only. Incidentally, Arbatov himself was frequently an impediment to a free two-way exchange of views among participants, for he had the habit of intercepting questions addressed to others on the Soviet side, which certainly discouraged the airing of views that might have been at variance with his own.

My own tentative conclusions as to the import of the attitudes displayed by the Soviet side toward the Schlesinger doctrine and related strategic issues are twofold. First, it seems to me that the relatively restrained Soviet reception accorded the "Schlesinger doctrine" in the first few months after it was promulgated will no longer obtain, and that

we can expect the Soviets to mount a growing campaign against the doctrine in SALT and elsewhere. Second, and here my own view undoubtedly will differ from that of some, I do not believe that the hostile Soviet response is necessarily to be deplored, insofar as it suggests that the Schlesinger approach has a "bite" that is being felt, and therefore may give Soviet decisionmakers cause to reassess their present course.

The Technology Issue

Many aspects of what may be broadly termed the technology issue were aired at the symposium, but here my comments are limited mainly to what seemed to me to be some conspicuous ambivalences on the Soviet side with regard to technology.

On the one hand, several Soviet speakers adverted to the historical U.S. technological lead as justifying numerical arms compensation for the Soviet Union, and complained that the United States has been not only "one cycle" ahead of the USSR in strategic technology, but now that the latter is in the process of catching up, the United States wants to jump still another "cycle" ahead. Moving from MIRV to MARV was one example cited (Trofimenko).

On the other hand, when the question of technology transfer was discussed, the Soviets (Arbatov in particular) took the position that they were technological equals, and that the United States "can't expect to deal with us as if we are an underdeveloped country."

With respect to an American suggestion that technology transfer and economic assistance to the Soviet Union is regarded in some U.S. quarters as a potential form of subsidy for the Soviet military effort, the Soviet conferees disagreed emphatically, claiming first that the Soviet Union can get along perfectly well on its own technological resources if necessary; and second, that U.S. economic/technical aid is only of "marginal significance" to the Soviet economy. Finally, it was argued that in any event

the level of the Soviet military effort will not be determined by the amount of residual resources freed by outside technology and economic exchange, but by "political decision" as to what is required for Soviet security.

Another ambivalent note that ran through the symposium discussion as well as some private conversations was the implication on the one hand that the overall correlation of forces has not only shifted against the West but is likely to go even faster in Soviet favor given the "internal crisis of capitalism," while on the other hand there seemed to be an almost hurt Soviet attitude that the United States is not playing fair because it does not really intend to stand still and allow the Soviet Union to forge ahead.

This latter attitude came out particularly in private conversation with some of the Russians (Semeiko among others) on the question of showing "restraint" in new technology. The claim was made (echoing some of the conference arguments) that the United States should show "restraint" in curbing such new programs as TRIDENT, B-1, MARV, SCM, etc. When the Soviets were pressed as to why the Soviet Union should not similarly show restraint in its new programs, two different answers were forthcoming. One was that the Soviet programs have been underway all along as a response to earlier U.S. steps, and therefore do not provoke a fresh round of qualitative competition, as do the American projects. The second and more interesting answer (offered by Semeiko in the heat of a private exchange over the Schlesinger doctrine) was that the United States is "over-reacting" to the Soviet programs, which are now "only in an early testing state" and "not yet deployed."

Semeiko's statement was followed by what sounded almost like a plea that if the United States would only not go ahead with its new programs, there would be a better chance of getting the Soviet bureaucracy to buy an arms control agreement that would really "even things up." Here, I might observe, one has the problem of knowing whether one was being sold a bill of goods, or whether this was a heartfelt suggestion as to how the United States might help out in getting an arms control agreement through the Soviet bureaucracy. My suspicious nature leads me to suspect the former, but Semeiko's apparent sincerity leaves room for the latter possibility.

Economic Interdependence

Separate sessions on economic and trade questions took place between the economists on both sides, but what I found particularly interesting in the plenary session discussions of economic matters was the professed Soviet attitude toward economic interdependence--elicited, one might add, by prodding from the American group.

The line taken by the Soviet side was that the Soviet Union now recognizes a single world economic system, of which the capitalist and socialist economic systems are component parts. The Soviet Union, it was averred, favors a growing international division of labor and economic interdependence, and does not want to promote instability by trying to exploit current Western difficulties such as inflation, oil, balance of payments, etc., for this could threaten the "whole" system.

Despite such professions of solicitude for the health of capitalist economies, and allowing for some measure of real concern about the possibility of spreading instability, I for one got the impression that the Soviets today are rather buoyed up by the "deepening crisis of capitalism," and that while they do not count on the imminent collapse of capitalism, they do feel that underlying economic and political trends are running their way so long as they can steer clear of the unpredictable hazards of war. In the latter connection, it seemed to me that there was a considerable amount of Soviet concern that the Middle East situation holds real danger unless a political settlement is brought about.

The Middle East

Though Soviet views on the Middle East and on the requisite condition for an Arab-Israeli settlement were expressed at great length, especially by Primakov, the central condition seemed to be as before that the United States must apply greater pressure upon Israel to come to terms on the occupied territories and the Palestinian issue. There appeared to be no greater recognition by the Soviets of the limits of U.S. pressure on Israel than in the past.

Primakov asserted that it is now the Israelis and not the Arabs who are refusing to sit down to negotiate. He also sought to suggest that the split in the Palestinian movement between the Arafat and Habbash organizations improves the prospects of successful negotiation. Pressed at one point by Pipes, Primakov said that he thinks the Palestinian movement as a whole will eventually come around to recognizing the existence of Israel--and thus remove this historical sticking point to a settlement. The alternative, or one of the alternatives to a settlement, Primakov warned, is that "the world will have 20,000-30,000 terrorists on the loose."

In his tour of Middle East problems, Primakov included the prospect that the Persian Gulf area might become a "conflict center" because of oil, contradictions among local states in the area, and outside intervention. U.S. arms deliveries to the area, based on the "pragmatic formula" of increasing American influence there, posed the problem, Primakov said, of "potential conflict" with the Soviet Union. With regard to the oil problem, Primakov asserted that the "age of cheap oil is gone" and that prices and extraction rates reflect an "objective" process that can no longer be controlled by the West. Both he and Arbatov also denied that the Soviet Union had encouraged imposition of an oil embargo during the October 1973 war, arguing that alleged suggestions to this effect appearing in the Soviet press had merely been "quoting" statements by Western sources and therefore did not represent official policy.

China

This was one of the few subjects on which some differences of view among the Soviet participants appeared to surface. Initially, the Soviets fended off U.S. attempts to introduce the subject of China into the discussion, but later they gave in and agreed that it must be taken into account in examining such matters as U.S.-Soviet relations, arms control, and Third World problems. With regard to the first point, Arbatov stated that if U.S.-Soviet relations should worsen, this would have dangerous implications because it would encourage the Chinese to "sit on the fence" and take advantage of the situation. As to whether American influence on

China might ameliorate Soviet problems of dealing with the Chinese, the Soviets seemed to be of a divided mind, with some wary of the United States moving closer to China and others (Sviatov) expressing the view that the United States could do something in the next few years to "influence China" and "help strengthen detente."

With respect to arms control, the point was made (Sviatov, Bykov) that third parties like China could not be left out of the picture when considering the arms balance between the Soviet Union and the United States, and that it would become especially important for China to be involved in arms control measures when steps are taken to reduce arms levels.

The role of China in the Third World as a competitor of the Soviet Union and backer of extremist groups was played down by the Soviet side, although Primakov observed in this connection that "some Soviet analysts have tended to exaggerate China's influence in the Third World."

Perhaps the most interesting comments on China had to do with the Soviet view of the future course of Chinese development. Several speakers (Krestyanov, Bykov, Primakov) said they were "optimistic" that over the next decade or two "positive changes" will occur that will gradually work out so as to "restore socialism" in China, improve Soviet-Chinese relations, and induce "more reasonable" Chinese behavior. As to whether China will try to achieve military parity with the Soviet Union and the United States, the opinion was ventured (Primakov) that China will attempt to do so but will not succeed--contrary to "Kissinger's view," according to Primakov--because she does not have "the same economic basis for military growth" as the United States and the USSR.

The European Balance

This subject did not receive as much attention as one might ordinarily expect, perhaps because it had been the central focus of discussion at the previous Soviet-American symposium at SRI in 1973. The main Soviet intervention on the subject was offered by Kostko, who hewed close to the now

familiar Soviet line that the Western proposals in MBFR are seeking to "level" out forces in Europe, which is an approach that can be "dangerous" and destabilizing because if "all aspects of the military balance in Europe are taken into account," the forces on both sides are already "more or less equal." Therefore, according to Kostko, the Soviet principles of either retaining the existing levels or reducing by an equal percentage across the board are a more appropriate basis for addressing the military balance issue in Europe than the NATO approach.

From the rather routine treatment of the subject by the Soviet side, plus the one interesting departure by Kostko--his reference to a "principle" of retaining existing levels--I would judge that MBFR does not have a very high priority on the Soviet negotiating agenda at the present time.

Naval Forces and Arms Control

The principal spokesman for the Soviet side on naval matters was, as one might expect, retired Admiral Astafyev, seconded by Sviatov, a retired Navy Captain. Astafyev's prepared intervention began with a rather good-natured thrust at those Western analysts who had suddenly discovered a "Soviet naval threat" after years of treating the Soviet Union as a third-rate naval power. What they had failed to appreciate, he said, was that the Soviet Union is in fact a "mighty sea power" with a naval tradition going back several hundred years, as well as a great land power. If now the United States finds the Soviet navy "dangerous," this is difficult to understand, for it is an "objective reality" that the Soviet Union has global interests which its navy is meant to serve.

After thus establishing the Soviet Union's naval credentials, Astafyev then turned to a subject for which I suspect he personally had less enthusiasm--namely, that the time has come to find criteria for reducing rather than building up the fleets of both sides, beginning with nuclear weapons. As the place to begin, Astafyev suggested the Mediterranean. This, he said, is a dangerous conflict area, so "why not withdraw from the Mediterranean

all nuclear ships?" Other speakers as well alluded to this standing Soviet proposal for withdrawal of nuclear-armed naval units from the Mediterranean.

Although it seems fair to say that no exceptional emphasis was placed on the issue of naval withdrawals and cutbacks in the course of the symposium, one might certainly hazard a guess that the Mediterranean proposal will be advanced more frequently by the Soviets as a first step in the process of extending arms controls to naval forces other than the SLBM forces covered in the SALT forum.

Military Budgets

Thanks to the presence of such experts as Abe Becker and Herb Levine, on the U.S. side, the issue of budget cuts as an arms control measure became the object of a good deal of well-informed discussion, most of which I shall not attempt to recall here. The central theme sounded by the Soviet side (Bobrakov, Arbatov) was that a 10 percent budget cut would be politically significant, but since it would not have much effect on the military balance, a "scrupulous analysis" of budgets would not be required first.

It was evident throughout the budget discussion that the Soviets were digging in their heels against what Arbatov described as an effort "to open up the mechanism of the budget." To probe for military expenditure information, to explore the cost of all military systems, and to bring "too much technical expertise" to bear on the problem, Arbatov declared, would prevent ever arriving at a solution. The right way to go about it, he said, was to have a "political agreement" on a percentage cut of military budgets and to stop searching "for ways to make the Soviet Union change its customs."

While the American side agreed on the complexity of the budget issue, it maintained that this was a good reason for proceeding by small steps and not by an arbitrary 10 percent cut, which could have substantial and quite possibly asymmetrical effects unless all the factors involved were well understood.

The Secrecy Syndrome

As an outgrowth of the budget discussion and other references by the U.S. side to the impediments placed in the way of a candid two-way dialogue by the Soviet Union's secrecy habits, Arbatov undertook at one juncture to deliver an apologia for the secrecy syndrome. The main points he made were as follows: (1) It is quite true that Soviet tradition and practice puts a premium on secrecy; (2) this is the result of unhappy historical experience in two World Wars and the like; (3) one can't expect to change this deep-seated psychology too quickly; (4) there has been some progress toward more openness--meetings like this one, acceptance of "National Means of Verification" in arms control, etc.; (5) but--don't push too hard now for more. This will only complicate things, make agreements impossible, perhaps even help to turn the clock back.

Here one is obliged to make some rather fine judgments on Arbatov's role at the interface between the Soviet establishment and the outer world. Is he simply a wily defender of traditional secrecy practices, bent on winning a certain legitimacy for them in the era of widespread negotiations with the West? Or is he on the other hand an honest agent of change, trying to nurse the Soviet establishment along at a judicious pace toward more open intercourse with the other side? I must confess that I have been unable to decide which description best befits him.

II. Miscellaneous Observations

Hospitality

The Soviet hosts went out of their way to be hospitable regarding accommodations, transportation, theater tickets for the evening, etc., even though a certain bureaucratic rigidity sometimes cropped up in the sharing of responsibility for the American guests between the two Soviet institutes involved. Apparently IMEMO was paying the bills, but both institutes shared the duties of playing host. A chap from the International Department of

the Academy of Sciences, Peter Vares, who comes from Esthonia, was also in constant attendance and did a very good job of looking after the needs of the American group.

We were put up at the Sovetskaya, a hotel largely reserved for upper-middle echelon visiting delegations and with practically no Russian guests, although a good many Russians crowded into the hotel's restaurant for evening dining and dancing to a rather over-loud orchestra.

So far as I could observe, there was no attempt by Soviet security agencies to zero in on the American visitors. My principal regret in the hospitality sphere was that I was unable to accept an invitation to the group to visit Leningrad and Tallin after the symposium ended. Those who made the trips, I understand, were well received by Academy of Sciences' officials in both places, and generally had a pleasant and instructive tour.

Soviet Navy's Place in the Scheme of Things

I found especially interesting several observations offered by Admiral Astafyev during our occasional chats. On the general standing of the Soviet Navy, within the military establishment, he said it has greatly improved during the long tenure of Admiral Gorshkov, for whom he expressed strong admiration. On the Soviet Navy's place in the military decisionmaking process, Astafyev said the following:

- (1) If an issue affects only Navy interests, Gorshkov and his staff handle it by themselves.
- (2) If an issue affects other services as well, it is handled in the General Staff and Ministry of Defense structure.
- (3) Within the General Staff, Navy representation is still minimal, because the Navy is regarded as a semiautonomous organization. Admiral Lobov, the Navy's representative on the General Staff, takes care of only relatively small and routine matters. If a "substantial" (krupnyi) or "principled" question is at issue, then Gorshkov himself will carry the Navy's case forward in the General Staff or the Ministry of Defense.

- (4) The likelihood of a naval officer's becoming chief of the General Staff or Minister of Defense is remote, according to Astafyev, again, because the Navy has semiautonomous status.

During a reception at Spasso House on 27 September, Admiral Astafyev said he had heard no details about the fire aboard a Soviet warship on the Black Sea that had reportedly just resulted in its sinking. At one time in his career, Astafyev said, he had served in the Black Sea fleet's surface forces. From 1963 to 1967, he was the Soviet naval representative at the United Nations in New York.

Visit to the Office of G. M. Gvishiani

On 26 September, the American group spent approximately an hour with G. M. Gvishiani, deputy chairman of the State Committee for Science and Technology (GKNT), and son-in-law of Premier Kosygin. Although Gvishiani was about to leave that afternoon on a trip to Sweden and then the United States, he spoke leisurely and at length about the work of the GKNT, and invited questions from the group.

Among the points of interest that emerged from the session were the following:

(1) Of the current 16 billion ruble budget for science, which the GKNT plays the central role in formulating and defending, about 25 percent is disposed of by the GKNT itself, 2 percent is held in reserve by the GKNT to meet unforeseen contingencies, and the remainder is disposed of on a "decentralized" basis by other agencies. (Unfortunately time ran out before I could get around to asking a further question as to the breakdown in the science budget between civilian and military R&D, and who ultimately determines what it should be.)

(2) Asked what the working relationship is between the GKNT and S. P. Trapezhnikov's department (otdel) on Science and Education in the Central Committee apparatus, Gvishiani said that Trapezhnikov's department "looks

over" plans and proposals drawn up by the GKNT, and "may submit its own recommendations separately" to the CC Secretariat and Politburo. But, Gvishiani said, though there may sometimes be what could be termed an "adversary relationship" between Trapezhnikov's otdel and the GKNT, the division of labor between them as a rule works smoothly. He then indicated that an essentially interlocking network operates, saying that Trapezhnikov himself is a member of a 60-man Collegium in the science-technology field that makes planning recommendations and gives guidance to operating agencies.

(3) With regard to scientific personnel, Gvishiani said the Soviet Union now has about 1.2 million "scientific personnel" (without defining what the term includes). He said also that the GKNT itself has "about 800 people," and that 3 to 4,000 others in closely related activities support its work.

(4) Gvishiani's interest in systems analysis was expressed during the meeting. (He is either a co-director with Harvard's Dr. Howard Raiffa of the International Institute for Applied Systems Analysis in Vienna, or chairman of the IIASA's council, I am not sure which.) I also understood Gvishiani to say that he heads a government committee for systems analysis in the Soviet Union. There is also a committee for systems analysis in the Central Committee apparatus, headed by Trapezhnikov's deputy, Makarov, with whom Gvishiani said he works closely.

Since Gvishiani is well known in the West, I won't dwell on describing him, other than to note that he appears confident and competent enough to have made his way upward in the Soviet system even without his connections with a powerful figure like Kosygin. Gvishiani's office, in addition to the usual executive conference table, had in it a large collection of tape recorders and gadgets, including an electric organ.

One other note on the decor. It has been said that in the U.S. business world one can tell when he is approaching the real sanctums of power because the receptionists and secretaries become more attractive the closer one gets. The same rule seemed to hold in Gvishiani's establishment.

Incidentally, one of the more stimulating impressions of Soviet life on this trip in comparison with previous exposures was the noticeable increase in numbers of young women who had taken some pains to approach Western standards of dress and cosmetics. It was Indian summer while we were in Moscow (known in Russian as babie leto or "grandma's summer"), and temperatures in the seventies not only helped to warm the bones of old women but brought out on the streets lots of younger ones complete with mini-skirts, bare legs, false eyelashes, etc.

Sidelight on Foreign Policy Formulation

Finally, one interesting sidelight was provided by Valery Karavayev, a personable young man who has been studying for a kandidat degree at INEMO, and who served as one of the escorts for the American group. He had previously worked in the Central Committee apparatus in the International Department, headed by B. N. Ponomarev, a powerful Party figure who headed a Soviet delegation on a visit to the U.S. Congress several months ago. Karavayev was asked if he planned to go to work in the Ministry of Foreign Affairs, now that he was finishing up his academic work in the international relations field. His reply was something to this effect: "By no means, I'm going back to Ponomarev's International Department. In the foreign policy field, that's where the real action is!"

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